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Southeast Asia Fears Damage To Its Influence

Leaders at ASEAN Summit Call for Rebuilding Unity Amid Region's Economic Woes

By Michael Richardson
International Herald Tribune

HANOI — Leaders of the Association of Southeast Asian Nations are warning that their organization is in danger of losing international influence as recession and financial turmoil remove its former high-growthuster and expose cracks in the group's once impressive facade of unity.

Four of the nine heads of government taking part in the two-day ASEAN meeting here that began Tuesday said the region was confronting a major credibility challenge. Others spoke in more general terms about the damage done to their economies and societies since the currency crisis started in Thailand in July 1997.

"This crisis has not only dealt body blows to individual countries in the region," said President Joseph Estrada of the Philippines. "Doubts have been raised about the ASEAN spirit, about our solidarity, about our credibility." He described the crisis as the greatest challenge facing the group since its creation in 1967.

Prime Minister Chuan Leekpai of Thailand said the crisis had raised questions about whether the association could regain its vitality, adding, "Some have gone so far as to write us off."

He said the group needed to develop "new approaches and new thinking to keep up with the rapid pace of developments, both regionally and internationally."

"If not," Mr. Chuan added, "we risk being left behind by other more dynamic and forward-looking regional groups around the world."

On Wednesday, ASEAN leaders will meet with Prime Minister Keizo Obuchi of Japan, Vice President Hu Jintao of China and President Kim Dae Jung of South Korea to discuss closer cooperation between Southeast and Northeast Asia, in such areas as aid and monetary policy.

Officials said Japan would announce details of its \$30 billion aid program, known as the Miyazawa Plan, to help finance the recovery of East Asian nations hit hardest by crisis.

They said Mr. Obuchi was expected to unveil a Chinese proposal for a new East Asian forum that would enable the deputy finance ministers and deputy central bank governors from the ASEAN countries, China, Japan and South Korea to meet whenever necessary for talks on financial and monetary policy.

"It could result in some useful consultations and possible coordination of monetary policy in the region," one Southeast Asian official said.

But in a reference to doubts about the association among Western and Asian countries that have close ties with the group, Prime Minister Goh Chok Tong of Singapore cautioned at the opening of the summit talks that some of ASEAN's dialogue partners were quietly questioning its future.

"Some of them are taking us less seriously than

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President Joseph Estrada of the Philippines, right, conferring with Jose Pardo, his trade secretary, at the Association of Southeast Asian Nations summit meeting that began Tuesday in Hanoi.

Japan Calls for Currency Regime

World Needs New Financial Architecture, Miyazawa Says

Compiled by Our Staff Photo Dispatches

TOKYO — Japan's finance minister called Tuesday for a "new international financial architecture" that would overhaul the way the International Monetary Fund works and allow a "managed flexibility" among the world's major currencies.

"Talk about reforming the international financial architecture should not be just a passing fancy," Kirio Miyazawa, a 79-year-old veteran politician, told the Foreign Correspondents Club of Japan.

Mr. Miyazawa called for studying creation of an "exchange-rate regime" that would "bring about greater stability on the one hand and needed flexibility on the other, among the yen, the U.S. dollar and the euro."

Mr. Miyazawa said the recent Asian currency turmoil had revealed the risk of pegging regional currencies to a single foreign currency such as the dollar.

The finance minister also acknowledged that Japan's economy remained weak and said it would be at least two years before officials could determine whether there is positive and sustainable growth.

He said Japanese companies may start to "ruthlessly" cut jobs next year to cope with the recession, pushing up the country's record-high unemployment rate of 4.3 percent.

Noting that "the IMF is not very popular in this part of the world," Mr. Miyazawa said that in the absence of

an alternative institution, the IMF should be improved. He said the IMF needed improvement and that combining the agency with the World Bank "might be one way if it improves efficiencies."

While Mr. Miyazawa's remarks on a new exchange-rate regime were not specific, analysts interpreted his remarks as backing the creation of a system of targeted bands within which currencies would trade. In Europe, Germany's finance minister, Oskar Lafontaine, created a controversy this autumn by calling for a managed exchange-rate regime.

"Although it is a difficult challenge, we have to work hard to attain this 'managed flexibility' among the three currencies," Mr. Miyazawa added.

"Setting a target zone may be useful in the short-to-medium term. But macroeconomic cooperation would be needed for it to work," said Taisaku Tanaka, a global foreign-exchange strategist at Credit Suisse First Boston in Tokyo. "Japan has to first correct existing domestic and external imbalances before it could consider such a step."

Mr. Miyazawa also said that countries across Asia should contribute to a new regional fund to protect their currencies and fight off speculators. Similar currency support funds could be used in Latin America

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Key Republicans Abandon Clinton

Survey Shows Ambivalence Of Americans

By Richard Morin
Washington Post Service

WASHINGTON — President Bill Clinton approaches his showdown with Republicans in the House of Representatives buoyed by strong job-approval ratings but also facing the possibility that he may not be able to rally a scandal-weary public in his embattled presidency, according to a new Washington Post-ABC News poll.

The survey shows that 6 in 10 Americans want the House to vote down the four articles of impeachment it will consider Thursday. But if the House goes the other way, an equally large majority, 58 percent, say Mr. Clinton should resign rather than fight removal in a Senate trial.

The conflicting attitudes found by the poll underscore the dangers that confront the president and congressional leaders in both parties. Most Americans remain only mildly attentive to the impeachment process; even those who try become confused or overwhelmed, making it difficult for politicians and

The gift of gah is gone. Page 3

pollsters to predict public reaction to the events to come.

Betty Nevins, 61, a retired nurse in Gulf Shores, Alabama, is a Democrat who voted for Mr. Clinton twice. She does not want to see him impeached. In key ways, she seems precisely one of the voters Mr. Clinton is counting on to tell their representatives that they are outraged and want the process stopped.

But if the president is impeached by the House, Ms. Nevins says, he should resign. Among those who oppose impeachment, 4 in 10 say Mr. Clinton should resign voluntarily if impeached.

"I think that this snowball thing needs to be ended as soon as it can," she said. According to the Post-ABC poll, 38 percent of respondents want the president to fight the charges in a Senate trial if impeached. Some observers cautioned against concluding too much from poll

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Momentum Building for Impeachment

By Brian Knowlton
International Herald Tribune

WASHINGTON — In an ominous development for President Bill Clinton, several key Republican moderates in the House of Representatives added their voices Tuesday to the mounting calls for his impeachment.

"Clearly, the momentum is in the direction of the House voting articles of impeachment," said Senator Joseph Lieberman of Connecticut, an influential Democrat.

The White House has desperately sought to persuade some of the 20 to 24 undeclared Republicans to oppose impeachment in what is expected to be an extremely close vote in the House on Thursday or Friday.

But in the last two days more than a dozen previously undeclared Republicans have come out in favor of impeachment.

In a blow to White House hopes, Representative Nancy Johnson of Connecticut, co-leader of a group of moderate House Republicans, said Tuesday that she would vote to impeach President Clinton.

"The president does not have the right to commit perjury when it is convenient or when he thinks the charges against him are frivolous," Ms. Johnson said.

Another Republican, Representative Jay Dickey, who represents Mr. Clinton's home district in Arkansas, criticized the White House for what he said were scare tactics to influence his vote.

It is like a "tidal wave" against the president, said Harold Ickes, a Democratic consultant and Mr. Clinton's former deputy chief of staff. He said there was still a chance of stopping that tide, however.

But the latest Republican declarations left prospects sharply higher that the full House would approve at least one of the four articles of impeachment before it, in effect indicting the president and sending the case to the Senate for trial.

As representatives streamed back to Washington for party caucus meetings Wednesday and the historic debate to

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AGENDA

U.S. Forces in Gulf Put on High Alert

WASHINGTON (Reuters) — U.S. military forces in the Gulf have been placed on high alert based on "significant, credible evidence" of possible imminent terrorist action against Americans in the area, the Pentagon said Tuesday.

The statement came a day after the State Department said that U.S. diplomats and citizens in seven Gulf states could be in danger from attack, possibly in the next 30 days.

The Dollar

Tuesday close: 1,848

118.555 115.525

5.5652 5.529

1.985 1.9835

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U.S. Fails to Ensure Israeli Withdrawal

Clinton Leaves Region as He Found It

By Lee Hockstader
Washington Post Service

JERUSALEM — President Bill Clinton concluded a three-day visit to the Middle East on Tuesday that was rich in symbolism but short on tangible achievements, having failed to nudge Israel to resume the troop withdrawals from the West Bank that it agreed to in U.S.-brokered talks two months ago.

After a contentious three-way meeting Tuesday morning with the Palestinian leader, Yasser Arafat, and Prime Minister Benjamin Netanyahu, Mr. Clinton departed the region much as he found it on his arrival: with the peace process teetering and mistrust seething between Israelis and Palestinians.

If there was anything fundamentally changed in the dynamic of Middle East peacemaking as a result of Mr. Clinton's visit, it was new tension between the Clinton administration and the Israelis and, at the same time, an emerging partnership between Washington and the Palestinians that is more intimate than has ever been seen before.

Mr. Netanyahu, who suspended further withdrawals two weeks ago and set an obstinate tone with his remarks when Mr. Clinton stepped off Air Force One on Saturday, served notice Tuesday that he has no intention of carrying out the next troop pullback, scheduled for



Mr. Netanyahu, left, conferring with Mr. Clinton on Tuesday at Tel Aviv airport before the president left for Washington.

Friday, until the Palestinians meet a long list of requirements some of which Washington plainly considers unreasonable.

Mr. Clinton tried to put the best face on things, telling reporters that "the proof is always in what happens tomorrow, not what happens today."

But it was apparent that Mr. Netanyahu, fighting for his political

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Evenhanded Clinton, Receptive Palestinians

Effort to Reach Out Moves His Audience

By Howard Schneider
Washington Post Service

JERUSALEM — Over the years they have been heralded as revolutionary heroes and reviled as terrorists, but this week the Palestinians, at least for the moment, found their struggle for a homeland put on a par with that of Israel's, their right to land, and their autonomy affirmed by the world's remaining superpower. Though President Bill Clinton's three-day visit here, which ended Tuesday, left the most difficult issues in the Middle East peace process unresolved, analysts and commentators in Israel and the Arab world agreed that the results were unambiguous in their boost to the Palestinian struggle for recognition and eventual statehood.

While no one suggested that the United States was diminishing its long-standing support for Israel, Mr. Clinton's remarks were an "assertion of Palestinian rights, and will hopefully be translated into full support for Palestinian independence," said Nasser Qidweh, the Palestinian representative at the United Nations.

"We are profoundly affected and touched by the sincerity of the

See MIDEAST, Page 4



Did a Nobel Peace Prize Winner Stretch Truth?

Accounts in Autobiography of Guatemalan Indian Rights Activist Are Disputed

By Larry Rohter
New York Times Service

SAN MIGUEL USPANTAN, Guatemala — For Rigoberta Menchu, the painful road to recognition began in this impoverished and isolated tangle of mountains, cloud forest, and peasant hamlets. As winner of the 1992 Nobel Peace Prize, she has become an internationally acclaimed spokeswoman for — and symbol of — the rights of indigenous peoples, based largely on her best-selling account of growing up here as an uneducated and oppressed member of the Quiche people.

In the autobiography "I, Rigoberta Menchu," first published in Spanish in 1983 at the height of Guatemala's brutal civil war, Miss Menchu, now 39, tells a wrenching tale of violence, destruction, misery and exploitation as moving and disturbing as a Victor Hugo novel. So powerful was the book's impact that it immediately transformed her into a celebrated and much-sought-after human rights campaigner and paved the way for her to win the Nobel Prize.

Key details of that story, though, are untrue, according to a new book, "Rigoberta Menchu

and the Story of All Poor Guatemalans," written by an American anthropologist. Based on nearly a decade of interviews with more than 120 people and archival research, the anthropologist, David Stoll, concludes that Miss Menchu's book "cannot be the eyewitness account purports to be" because the Nobel laureate repeatedly describes "experiences she never had herself."

J. Alfonso Alem, executive director of the Rigoberta Menchu Foundation in Mexico City, said Tuesday that the claims made by Mr. Stoll "should not affect the legitimacy of the demands of the Indian people," The Associated Press reported.

"This is a cause that the world recognizes as legitimate — not because of Rigoberta Menchu," Mr. Alem said.

Using contacts provided by Mr. Stoll and others found independently, The New York Times conducted several interviews here earlier this month that yielded information that contradicts Miss Menchu's account.

Relatives, neighbors, friends and former classmates, including an older brother and half-sister and four Roman Catholic nuns who educated and sheltered her, indicated that many of the main

episodes Miss Menchu related in the book were either fabricated or seriously exaggerated. As they recall it:

The land dispute central to the book was a long and bitter family feud that pitted her father against his in-laws, and not a battle against wealthy landowners of European descent who manipulated government agencies into trying to drive her father and other Indian peasants off unclaimed land that they had cleared and farmed.

A younger brother whom Miss Menchu says she saw die of starvation never existed, while a second, whose suffering she says she and her parents were forced to watch as he was burned alive by army troops, was killed in entirely different circumstances when the family was not present.

Contrary to Miss Menchu's assertion on the first page of her book that "I never went to school" and could not read, write or speak Spanish until shortly before she dictated the text of "I, Rigoberta Menchu," she in fact received the equivalent of a middle-school education as a

See NOBEL, Page 4

Clinton's Visit/ 'It's a Practical Recognition of Our Rights'

Hope Flowers in Gaza As the President Calls

The American Flag Flying, Not BurningBy Lee Hockstader
Washington Post Service

JABALIYA REFUGEE CAMP, Gaza — Perhaps not since the day in 1994 that Yasser Arafat returned to Gaza from his years of exile have Palestinians felt such a surge of hope and wonder as they did when President Bill Clinton came calling.

Part of it was pageantry: the 100-foot-long (30-meter-long) American and Palestinian flags that swaddled the brand new airport control tower like gift wrapping; the stifling security, freshly whitewashed walls and ubiquitous welcome banners that announced that this visit was unlike any other; the big, noisy American helicopters floating down one by one from a pale blue sky.

But even before they had heard him speak, Palestinians understood that the mere fact that an American president was setting foot on their soil for the first time was a form of recognition and a symbolic windfall that would have been unthinkable until recently.

"Six years ago we were seen as distorted people as terrorists," said Saleh Tamari, a Palestinian lawmaker. "Now we are greeting and meeting the president of the United States. It's a practical recognition of our rights."

"If someone doesn't understand the significance of it," he concluded, "they are blind."

Sayed Shaban, an officer in the fledgling Palestinian Navy, said: "Today we are in a new era and a new situation. Time is required to change things much more, and larger steps are still to be taken. But we have hopes for new conditions. Today, the world is here."

Mr. Clinton "will help us to regain our land, to regain Jerusalem, to regain what the Israelis took from us," said Khalil Mahmoud Biran, 54, a shop owner in Gaza City.

"There is nothing wrong with the United States helping Israel, but at the same time we think now it can help us, too."

IN A PLACE identified for years with the burning of American flags, suddenly American flags were everywhere in Gaza, and none was set ablaze.

Palestinians hung American flags from high-rise apartments, affixed them to the backs of bicycles and, in a few zealous cases, draped them around their bodies.

In a place long associated with terrorists and militants — the Hamas and Islamic Jihad groups have their strongholds here — most Palestinians were at pains to explain to visitors that no one in his right mind could possibly wish harm to half so honored a guest.

Schonboys with barely a word of English managed precisely two when they encountered Americans in the streets of Gaza City: "Clinton good!"

Stapled to trees and plastered on tenement walls, posters, murals and banners appeared of Mr. Clinton and Mr. Arafat, smiling side-by-side, with the heading: "We have a dream, same

as yours. A free Palestine." Three hours before the president's arrival, thousands lined the route from the airport, only to discover much later that he would be transported around Gaza by helicopter.

So many people were glued to their televisions, or intimidated by the numbers of Palestinian troops deployed, that traffic through Gaza City's ordinarily teeming streets simply evaporated. Shops closed in the center of town and merchants called it a sign of respect for their visitor.

A Palestinian cleric, who hinted that he had not always been so great a fan of the United States, shrugged when asked about Mr. Clinton and said simply: "We will remember it forever."

THE ENTHUSIASM seemed genuine, but it was not undiluted. In the Jabalya Refugee Camp, desperately poor, trash-strewn and badly overcrowded, this sudden recasting of the United States' role sparked a flicker of hope against a backdrop of traditional anti-Western resentments.

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Mrs. Clinton, right, and Mrs. Arafat, left, visiting a disabled Palestinian boy at a Gaza child care center. Mrs. Clinton announced a \$3 million increase in U.S. aid for the UN program to benefit Arab refugees.

The People's Choice: Hillary Clinton First Lady Acclaimed for Her Support of Palestinian Statehood

By William A. Orme Jr.
New York Times Service

GAZA — Hillary Rodham Clinton, who has been hailed here as a champion of Palestinian statehood, walked a careful diplomatic line in public appearances in Gaza, praising Palestinian national aspirations while avoiding comments that could be considered a call for sovereignty.

But it was clear as she traveled

through Gaza on Monday that her endorsement seven months ago of eventual Palestinian independence has made it almost certain to be followed by disappointment the morning after.

The president's appearance also prompted Palestinians to confront and discuss the question of Israel's security and its right to exist in a new, perhaps more realistic way.

"I was 16 when I went to work as a janitor in Israel, and I cried because even the room where they keep their garbage was nicer than the rooms we live in here in Jabalya," said Shedad Amoudi, 43, a shop owner. "Now the Americans are starting to understand the suffering of the Palestinian people. And we know that Israel has a right to exist, based on an agreement between both sides."

Were Palestinians willing to accept the United States as an ally, after so many years of mutual suspicion? "We are Arabs — we are known for our hospitality," Mr. Amoudi said. "We always close our eyes to many past mistakes."

Clinton was greeted with thunderous applause as she walked through the door of the Palestinian National Council gathering here Monday afternoon. The ovation was repeated with equal enthusiasm as she was introduced from the podium by Yasser Arafat, the Palestinian leader.

Earlier in the day, as she visited a center for disabled children and a refugee settlement with her daughter, Chelsea, and Mr. Arafat's wife, Suha, Mrs. Clinton was acclaimed by local civic leaders.

"We are very proud of you and your

support for the Palestinian people and their own state," said Hanan Matar, a Gaza City lawyer, as she welcomed Mrs. Clinton to a workshop on family law and women's rights.

Mrs. Clinton and Mrs. Arafat visited the most densely packed of Gaza's eight refugee settlements. Known as

in disputes over a wife's right to work or to seek further education.

In her public remarks here, Mrs. Clinton praised "the leadership of Chairman Arafat" in the peace efforts and the "hope for the future" embodied in building new institutions, both civic and physical, like the Gaza International Airport that her husband and Mr. Arafat formally inaugurated Monday.

But she appeared to prefer stressing

more generic themes, such as the social benefits of spending on higher education for women. The capstone of her Gaza tour was a session seemingly calculated to scare off all but the worst.

"Now's the Empowerment Through Micro-Lending."

While President Bill Clinton pushed publicly for further progress in the peace talks, Mrs. Clinton went to the gritty heart of a major unresolved problem: the Arab refugees from the Middle Eastern wars of a half-century ago, and their direct descendants, who remain virtual wards of United Nations refugee camps. Of the 1.1 million refugees in 59 UN settlements in four countries, about 760,000 live in the Gaza Strip, and they constitute three-quarters of Gaza's population.

Mrs. Clinton and Mrs. Arafat visited the most densely packed of Gaza's eight refugee settlements. Known as

simply "the Beach," the Gaza City waterfront camp has 65,000 people crammed into 70 sandy acres (28 hectares) of low-rise cinder block, many of them living three or more to a room.

"I know that for many here in Gaza, life has been too hard for too long," Mrs. Clinton said, announcing a modest increase in the annual U.S. contribution to the UN refugee program for the Arab refugees to \$73 million from \$70 million.

Mrs. Clinton's visit and the international attention that comes with it is like a blessing," said Roy Wilkenson, the spokesman for the UN's Gaza refugee program. "These people are so desperate for a little bit of recognition. People don't realize how little they have and how little they are asking for."

As she did in Israel on Sunday, Mrs. Clinton avoided reporters' questions about independence and statehood, and her aides again strove to avoid photographs of the first lady framed by the Palestinian flag.

Still, her itinerary in Israel on Sunday with Prime Minister Benjamin Netanyahu's wife, Sara, by her side and her tour through Gaza on Monday with Mrs. Arafat was seen in both places as a display of conscious symmetry.

Mrs. Arafat, usually not the most public of figures here, was clearly pleased by Mrs. Clinton's companionship. "Thank you for witnessing with us the construction of our country," she said, introducing Mrs. Clinton at the micro-lending forum, "and I hope you will be able to be with us to witness our Palestinian state."

French Panel Faults U.S. for Failure to Act In Rwanda

By Charles Trueheart
Washington Post Service

PARIS — After a nine-month inquiry into the systematic slaughter of nearly a million people in Rwanda four years ago, a French parliamentary commission concluded Tuesday that the responsibility for preventing the genocide lay mainly in a United States-influenced failure of international will.

In its final report, the commission criticized a lack of coordination and intelligence by French diplomatic and military officials during the three months of unchecked tribal killing that followed the April 6, 1994, assassination of the Rwandan president, Juvenal Habyarimana, whose airplane was downed by a missile.

But a summary of the 1,800-page report said most of the inaction in Rwanda was the fault of the United Nations and its strongest member.

Referring to the Belgian-led UN contingent in Rwanda and to the 1993 killings of American troops in Somalia, the report said that the international community's "passivity and inertia" are due, among other reasons, to the hasty departure of the contingent after the assassination of 10 of its members and especially to the refusal of the United States to consider, after its debacle in Somalia, any immediate expansion of the UN force or any modification of its mandate to allow it to intervene.

The commission, led by a Socialist former defense minister, Paul Quilès, exonerated France for any responsibility in the genocide itself. "The first point that should be recalled is that those who killed Rwandans were other Rwandans," the summary said. The vast majority of the victims were Tutsi. The report faulted the French government for failing to understand the nature of the blood warfare in the former Belgian colony or to appreciate the "racist" nature of the regime it had supported as a "lesser evil" in a military cooperation agreement that ended three months before the slaughter began.

France, the report said, "didn't worry enough about a situation where violence was proliferating while extremist tendencies developed advocating more and more openly a final solution" — that is, the extermination of Tutsi and of Hutu moderates. A United Nations criminal tribunal is prosecuting those believed responsible for the genocide.

"France found itself trapped by its own strategy and manipulated by a regime that it hoped to pressure to reform its policies," the report said, noting in France's defense that Mr. Habyarimana's government was considered "legitimate" by the world community.

Alain Destexhe, a senator in Belgium who led his country's legislative inquiry last year into its role in Rwanda, said in an interview: "I have the impression that the French are laying things off on the Belgians and the Americans and the UN, and sweeping things away from their front door. Still in France's political culture, the fact that this commission exists at all is very important."

Mr. Destexhe added: "The next steps should be investigations by the United Nations and the United States."

Kofi Annan, the United Nations secretary general, said: "France has nothing to blush about. It had no responsibility for the genocide."

Judge Leon Higginbotham Dies At 70; Was Crusader for Blacks

By William Glaberson
New York Times Service

were endangered by cutbacks in affirmative action and reduced opportunities for black lawyers and judges.

"I witnessed the birth of racial justice in the Supreme Court and here now, after 45 years as a lawyer, judge and law professor, I sometimes feel as if I am watching justice die," he wrote in an article in the New York Times Magazine in January.

After his retirement from the bench he taught at Harvard University, practiced law in New York and Washington and served on corporate boards, and was an example of how what he called "justiceless and forgotten people could overcome obstacles if they had help."

Judge Higginbotham, a legal scholar, author and historian, was an influential federal judge for 29 years until he retired in 1993. He often used the story of his own life, which began in an era of discrimination in Trenton, New Jersey, as an example of how what he called "justiceless and forgotten people could overcome obstacles if they had help."

From 1990 until his retirement, Judge Higginbotham was chief judge of the 3d U.S. Circuit Court of Appeals in Philadelphia. He was only the third black jurist to have directed one of the country's federal appeals panels, which are second in importance only to the Supreme Court. Some historians say Judge Higginbotham was one of a handful of black jurists whom President Lyndon Johnson considered as candidates to integrate the Supreme Court before he named Thurgood Marshall the first black justice in 1967.

In a career of energetic accomplishment and unambiguous liberalism, Judge Higginbotham received much recognition as a legal scholar and civil rights advocate, including the highest U.S. civilian honor, the Presidential Medal of Freedom, in 1995. He persistently said that many of the advances for black Americans that he had applauded over a long legal career

TRAVEL UPDATE

Flight Attendants Seek New Carry-On Rules

WAshington (AP) — Airline safety is being risked by a patchwork of rules for carry-on bags, and the U.S. government should step in to declare a uniform standard, the Association of Flight Attendants said.

About 4,000 passengers and crew members are hurt each year by bags and objects — including wine bottles, laptop computers and even bowling balls — falling from overhead bins, the 43,000-member union said.

One-Day Greek Strike Disrupts Transport

ATHENS (AP) — Strikers disrupted transport, banks and public services in Greece on Tuesday to protest an austerity budget for 1999.

The one-day strike, called by the two main Greek trade unions, cut domestic and international services by the national carrier, Olympic Airways, to one flight per destination, the company said. Flights by foreign airlines were not affected.

Orsay Museum Opens

PARIS (AP) — The Orsay museum opened Tuesday after a strike, but the stoppage kept the art museum's book stall closed.

Staff at the Grand Palais remained on strike on Tuesday, while the Louvre museum was to reopen its doors on Wednesday after a six-day walkout by employees. Tuesday was the Louvre's normal closing day.

An "Unusual Journey" exhibition at the Parc de la Villette in Paris is recreating for visitors the ordeal of refugees escaping from war, massacres or political persecution to seek asylum in France. (Reuters)

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

| Asia | | | | | | | | | |
|-----------|------|------|------|-------|----------|----|----------|-----------|-----------------|
| Today | High | Low | Wind | Cloud | Humidity | UV | UV Index | UV Rating | UV Index Rating |
| Albany | 54.6 | 32.9 | SW | 50% | 50% | UV | UV | UV | UV |
| Bangkok | 27.0 | 24.8 | SE | 34.9% | 34.9% | UV | UV | UV | UV |
| Beijing | 13.9 | 9.3 | SW | 44.7% | 44.7% | UV | UV | UV | UV |
| Calcutta | 29.9 | 14.9 | SE | 26.9% | 26.9% | UV | UV | UV | UV |
| Cheng Mai | 26.7 | 13.5 | SE | 27.6% | 27.6% | UV | UV | UV | UV |
| Delhi | 27.7 | 17.6 | SE | 22.7% | 22.7% | UV | UV | UV | UV |
| Guangzhou | 22.4 | 10.8 | SW | 21.7% | 21.7% | | | | |

THE AMERICAS

That Old Fire, That Gift of Gab Is Now Missing From ClintonBy R.W. Apple Jr.
New York Times Service

WASHINGTON — Since his days as an undergraduate, his oldest friends say, Bill Clinton has believed that he could talk his way out of almost any predicament. He has usually been right.

In every dark hour in his political career, Mr. Clinton has fought back. He has tested the political winds, then assembled political war rooms to carry the fight to the enemy. Sometimes he has counterattacked, sometimes he has changed course. But always he has been verbal, vigorous, out in front.

Something very different is going on now as he faces his gravest crisis. He is not taking much. When he talks, he digs himself in deeper.

"He has lost his touch, at least for the moment," said a Democratic senator who is counted as one of the president's stoutest supporters. "His timing is off. His sense of what will fly is way off, too."

Suddenly, last week in Washington and this week in the Middle East, Mr. Clinton has turned pensive, was and remote. His words lack fire. On Friday, as the House Judiciary Committee was preparing to approve a first article of impeachment, he ended a televised appeal with the words, "That is simply all I can do, the work of the American people." It sounded more like a sigh of fatalism than a rallying cry from a president girding for battle.

Since he has never been a very close student of legislative mores, perhaps he is simply puzzled by the Republicans' determination to forge ahead with impeachment. All his political life, he has relied

heavily on polls for guidance. Now his polls and others show clearly that the American people do not want to see him removed from office, but the Republicans are paying little heed to the numbers.

Vice President Al Gore said Monday that the Republicans should absorb the wisdom of the American people, as expressed in the polls, and abandon impeachment. The appropriate answer, he said, "is censure, to give the president the punishment and rebuke that they feel is appropriate."

But the president has done little to give cover to the advocates of censure, and on several recent occasions he has made a bad situation worse. His

house, unapologetic television speech on Aug. 17, after he had testified to the grand jury investigating the Monica Lewinsky case, won few if any new supporters and turned some fence-sitters against him. A speech more fully expressing his position on Aug. 28, followed by several others, helped Mr. Clinton's cause, as did the results of the November election.

Then his legalistic answers to 81 questions submitted by the House Judiciary Committee upset undecided Republicans anew. Several had hoped he would admit on Friday that he had committed perjury, or at least that he had told lies in his deposition, instead of resorting to circumlocutions. He did not, and he followed up with a declaration in Israel that he would never admit lying under oath, something, he said, "I am quite sure I did not."

He also said that the idea of his resigning had never crossed his mind. It has crossed the mind of

everyone else in official Washington, not once but many times, so Mr. Clinton's statement further eroded his credibility here.

Representative Scott Klug of Wisconsin, one of the Republican fence-sitters, said Sunday that if the president wanted "to throw himself on the mercy of the court," he must admit guilt.

Mr. Clinton was returning to Washington late Tuesday night, which would leave him only a single day to twist arms before the debate in the House begins. He may also make phone-calls from Air Force One on the way home.

But many Democrats, including some in the presidential entourage in the Middle East, are amazed that Mr. Clinton did not curtail his schedule there to give himself an additional day to try to influence the momentous vote on the House floor likely to come on Thursday, which will determine whether he is to stand trial in the Senate. At a minimum, he could have mounted a more vigorous campaign to arouse the public to lobby the Republicans to permit a vote on the censure resolution.

Privately, White House aides explain their relative inaction and that of the president by saying that a public campaign would be "inappropriate." Maybe they mean it would be counterproductive. Certainly, questions of propriety cannot be the whole answer when Mr. Clinton's future is at stake, along with whatever legacy he may hope to leave.

Some of those close to the inner circle say Mr. Clinton can never admit that he lied because it would open him up to prosecution for perjury after

he leaves office. But is that really the reason? If so, the White House must have little faith in the parade of prosecutors called by the Democrats to testify before the Judiciary Committee. It is possible, of course, that Kenneth Starr is every inch the vengeful zealot that many in the White House consider him and that he would move against Mr. Clinton the minute he left office. But many who know the courts in the District of Columbia doubt he could ever gain a conviction here.

And even if he could, is the risk not worth running when the alternative looks more and more like impeachment and a lengthy, nasty trial?

A former Clinton adviser who maintains close links to the White House said last weekend that some of the president's strategists believed it was possible to find a way of owing up to lying without "significantly increasing the legal jeopardy later." The problem is that Mr. Clinton will not accept that course of action. Some around the president fear that for every Republican who would be lured into his camp by a frank admission of lying, a Democrat might leave.

In his own calculations, the president may have concluded, like many others in Washington, that 67 senators, the number required by the Constitution, would never vote to remove him from office, and that his best strategy is therefore to sit tight and wait the trial out.

But trials, as one of Washington's leading lawyers put it the other day, "have a way of getting out of hand, which is why smart lawyers avoid going to trial if they possibly can."

POLITICAL NOTES

A Media Flip-Flop On Impeachment

WASHINGTON — After President Bill Clinton admitted misleading the country about Monica Lewinsky, a wave of revision swept through the media, with more than 140 newspapers and plenty of columnists urging him to resign. Less than four months later, many of the same purveyors of elite opinion are staunchly opposing Mr. Clinton's impeachment, which, if the Senate voted to convict, would lead to his eviction.

Are these esteemed media heavyweights wimping out at the moment of truth? After all, Mr. Clinton was never very likely to follow their collective advice and leave town.

"This is the hardest issue I've ever had to deal with," said Jane Eisner, editorial page editor of the Philadelphia Inquirer. "Some of our readers are still angry at us for calling for him to resign. Some readers are angry at us for not calling for him to be impeached. Not everyone on our board agrees. It's a no-win situation."

The Inquirer, Des Moines Register, Atlanta Journal-Constitution, Seattle Times, Denver Post, San Antonio Express-News, and Orlando Sentinel are among the major newspapers that urged the president to call it quits in August — but now oppose impeachment. The pro-resignation Chicago Tribune has sidestepped the impeachment question. USA Today and the Washington Times have renewed their calls for resignation but did not take a direct position on impeachment. Both the New York Times and The Washington Post have harshly assailed the president throughout the Lewinsky imbroglio, while stopping short of urging him to resign. (WP)

Band of Democrats Is Jiggling the Math

WASHINGTON — Although nearly all the speculation in the last few weeks has focused on certain Republicans in the House, a small group of renegade Democrats could also affect the arithmetic and fate of an impeachment vote.

By last weekend, three Democrats, all from relatively conservative districts in the South, had come out publicly in favor of impeaching President Clinton. On Monday, Representative Paul McHale of Pennsylvania all but definitely joined that short list by voicing some of his strongest sentiments yet for impeachment.

Mr. McHale said in a telephone interview that he still did not want to commit himself irrevocably to any vote, but he portrayed himself as tilting even more sharply toward impeaching Mr. Clinton than he did a few days ago. "Barring additional information that I would find to be persuasive, that is the way I'm leaning," he said. "I don't feel I have any other alternative but to hold him accountable."

The other three Democrats who have publicly said that they favor impeachment are Representatives Gene Taylor of Mississippi, Ralph Hall of Texas and Virgil Goode Jr. of Virginia. At least another eight Democrats were still officially undecided about what they would do when the full House votes on impeachment, probably later this week. Democratic officials predicted that, in a worst-case scenario, no more than 10 Democrats in all would vote in favor of impeachment. (NYT)

Chinese Campaign Gifts Tied to Technology GoalsBy Jeff Gerth, David Johnston and Don Van Natta Jr.
New York Times Service

WASHINGTON — After a two-year investigation of Chinese political contributions to the 1996 election, federal authorities have unearthed evidence that Beijing's efforts were part of a broader campaign to gain access to American high technology, according to lawyers and investigators.

While still incomplete, the evidence provides a clearer understanding of Chinese motivations — and one that differs substantially from the initial view of federal investigators and a Republican-controlled Senate committee that China intended to try to influence the outcome of particular races, including the re-election of President Bill Clinton.

Investigators now believe that the money was to enhance the political standing of those who passed the contributions to Democratic causes, to give them clout as they argued for favorable policies on trade and technology.

"Technology was a primary drive," said a senior Justice Department official who spoke on the condition of anonymity.

It appears the official said, that China intended to follow the example of American corporations, which use campaign donations to raise the profile of their lobbyists in Washington. Under U.S. law, foreign governments are prohibited from contributing to political campaigns.

Investigators and officials said their new view of Chinese motivations was based on inference and evidence that included bank records, intercepted tele-

phone calls and witness statements. While they gave few details, the officials said they had learned of additional links between the fund-raisers who arranged the suspect donations and Chinese executives and officials involved in acquiring Western technology with military uses. They said the inquiry had documented more active and substantial contacts between fund-raisers such as Yan Lin Tie and Chinese officials than previously known.

A Senate investigation this year raised questions about the role of the Chinese government but lacked the banking records and intelligence information subsequently available to the FBI.

Senator Fred Thompson, the Tennessee Republican who led the Senate inquiry into campaign finance abuses last year, was the first to question the possible Chinese role in the 1996 elections. He said recently he now believed the Chinese donations were aimed at obtaining American technology.

They were attempting not only to ingratiate themselves politically, he said, "but in the process to develop contacts and further relationships with companies in the U.S. who had the same technology-export interest."

Democratic Donor Sentenced

Johnny Chung, a prolific donor to Democrats and frequent visitor to the Clinton White House, was sentenced to probation and community service Monday for his involvement in illegal campaign contributions during the 1996 election. The New York Times reported from Los Angeles.

Mr. Chung, 43, who faced up to 18 months in prison, was given a more



Mr. Chung leaving the courthouse in Los Angeles after sentencing.

lenient sentence after a recommendation by prosecutors and a plea from his lawyer based on his cooperation with an investigation into campaign fund-raising abuses during the 1996 election.

He was sentenced to five years' probation and 3,000 hours of community service. He pleaded guilty to bank fraud, tax evasion and conspiracy charges and admitted circumventing individual limits on donations.

At the sentencing, A U.S. District Court judge, Manuel Real, expressed doubt at assertions by Democratic Party officials that they did not know about fund-raising abuses, and he said he was "surprised" that Attorney General Janet Reno had not appointed a special prosecutor to look into them.

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With the money, the agency also has tripled the number of beds in detention centers and local jails around the country and increased staff, more by 80 percent, crucial because the agency must detain immigrants before it can deport them.

Immigration officers also have been able to conduct more investigations. The agency now can check anonymous tips from, for instance, people who say they have noticed a sudden influx of immigrants in their neighborhood.

Who are deported are barred from returning to the country for five years or more. Some are barred for life.

In the past two years, the service also has deported about 78,000 people who had managed to get into the country undetected and were caught later. It arrested them during job raids, at routine traffic stops, at airports when they were returning from abroad and even at immigration offices around the country.

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An Impeachment Primer**Questions and Answers About the Process***The Associated Press*

WASHINGTON — If the House votes this week to impeach President Bill Clinton, it does not mean the president is removed from office. The U.S. Constitution gives that decision to the Senate. There are many questions about impeachment works:

Q: Is the president removed from office if he is impeached?

A: No. The articles of impeachment are only charges, similar to a grand jury indictment. The Senate to conduct a trial on any impeachment articles passed by the House, with Chief Justice William Rehnquist presiding. Two-thirds of the 100 senators must vote "guilty" on any or all of the articles for the president to be removed from office. They have a choice of judgments: removal from office or removal from office plus a prohibition against the president's ever holding any future office of "honor, trust or profit under the United States."

Q: What happens before the House debate Thursday?

A: Majority Republicans on the House Judiciary Committee will circulate a detailed report to justify the reasons the panel voted for impeachment of Mr. Clinton. Democrats will have their own minority dissent. Lawmakers will return Wednesday for closed-door party caucuses to map strategy.

Q: Will there be a vote on a resolution to censure or denounce the president?

A: Republican House leaders say they will not permit a vote on a censure resolution. But Democrats are planning a "motion to recommit" the impeachment articles to the Judiciary Committee with instructions that the articles be replaced with censure. Republicans are likely to object that such a motion is not relevant. Democrats could then appeal and that vote would in effect decide whether Mr. Clinton is impeached or censured by the House.

Q: How long will the impeachment debate take?

A: Republicans are planning for several hours of debate and separate, yes-or-no votes on each of the four articles at the end of debate. The debate is scheduled to begin Thursday and it could take until Friday. A simple majority of the 435-member House, or 218 votes, is required to pass each article.

Q: Can impeachment articles be amended?

A: No. They are considered "privi-

ileged" on the House floor and not subject to either amendment or debate in the Rules Committee like a normal bill.

Q: Is the Senate trial like one in a criminal court?

A: In some ways, yes. House Republicans, called "managers," will take the role of prosecutors and — with help from lawyers — lay out their case. Mr. Clinton can have his own advocates. Witnesses can be called to testify and submit to cross-examination. But unlike a criminal court, senators can vote to halt the trial at any point or vote to overrule any of Justice Rehnquist's decisions as presiding officer.

Q: Will the swearing-in of a new Congress in January have any effect?

A: Possibly. Although the impeachment charges will carry over to the new 106th Congress in January, the House would have to reappoint its managers for the trial. Because there will be fewer Republicans in the new Congress, Democrats and a few Republican allies could throw the case into chaos by blocking appointment of the managers. The Senate's composition does not change: 55 Republicans and 45 Democrats.

Q: Has any president ever been impeached?

A: Yes. The House approved 11 articles of impeachment against President Andrew Johnson in 1868, arising essentially from political divisions over Reconstruction following the Civil War. After a 74-day Senate trial, the Senate acquitted Mr. Johnson on three of the articles by a one-vote margin each and decided not to vote on the rest.

Q: Wasn't President Nixon impeached?

A: No. The House Judiciary Committee approved three articles of impeachment in July 1974 against Mr. Nixon arising from the break-in at Democratic National Committee headquarters in the Watergate building and a subsequent cover-up. Mr. Nixon resigned Aug. 9, 1974, before the full House voted on the articles.

Q: Has Congress ever censured a president?

A: Yes. The Senate rebuked President Andrew Jackson in 1834 for vetoing a bill that would have rechartered a central bank. Three years later, Mr. Jackson's allies got his record expunged by revoking the resolution, and his portrait now adorns the \$20 bill.

Richer Immigration Agency Doubles DeportationsBy Mirta Ojito
New York Times Service

NEW YORK — In the two years since Congress passed tough laws to stem illegal immigration to the United States, federal authorities have deported almost 300,000 immigrants to countries all over the world, more than twice the number of people who were sent back in the two previous years.

That many deportations have been possible because for the first time the Immigration and Naturalization Service has the congressional mandate and the money to prosecute violators of immigration law, arrest immigrants with criminal convictions and would-be immigrants at the border, and deport them swiftly, sometimes in less than 12 hours.

"The rules have changed," said Kerry Brotz, a New York immigration lawyer and former prosecutor for the immigra-

tion service. "The agency has become completely enforcement-minded."

Flush with almost a billion dollars for the detention and deportation of illegal immigrants, the service is now the largest federal law enforcement agency, according to the Justice Department. It has more than 15,000 officers who can carry weapons and make arrests, more than the FBI or Drug Enforcement Administration.

Stopping immigrants from entering the country has become more important than the war against drugs," said Maria Jimenez, director of a monitoring project for the American Friends Service Committee, a nonprofit group that documents abuses on the U.S.-Mexico border.

Before the laws were changed, most of those deported had been convicted of crimes. Now, most are people caught at the southwestern border with no documents or with fake documents. Many

Contacting CongressTo contact members of the House and Senate, consult the following Web sites:
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INTERNATIONAL

Alleging Bias, Lawyers For Pinochet Appeal

They Say Law Lord Hid Ties to Rights Group

By Warren Hoge
New York Times Service

LONDON — General Augusto Pinochet's lawyers told a House of Lords hearing on Tuesday that one of the Law Lords who ruled against their client had a concealed bias against him and that the verdict keeping the former Chilean dictator from returning home ought therefore to be set aside.

In the first instance in British history in which a decision of the Law Lords, England's highest court, has been formally challenged, the attorneys said that Lord Hoffmann, the man who cast the decisive vote against General Pinochet, erred in not alerting the court to his links to Amnesty International.

The fact that the Lords agreed to accept the request for a review was being interpreted as a reflection of the seriousness with which the question was being treated. Lord Browne-Wilkinson, the head of the Law Lords, said that he would summon a new panel of judges to reconsider the case if the appeal succeeded.

Amnesty International had been permitted, in a rare extension of privilege, to present its argument against General Pinochet to the five-man tribunal that decided by a three-to-two vote on Nov. 25 that the Chilean did not enjoy immunity from arrest in Britain. Because of that ruling, he has had to remain in Britain for what could become more than a year, during which a Spanish petition to extradite him to Madrid to face charges of crimes against humanity goes forward.

Lord Hoffmann, it has emerged, is a director and former chairman of a charity that raises money for Amnesty International, and his wife has been an administrative assistant in its press and publications division since 1977.

His failure to declare that association has aroused concern in the British legal establishment, where Lord Hoffmann is regarded as one of its most capable and learned members.

"Three weeks ago, the case of General Pinochet propelled the British judiciary to the pinnacle of global admiration," Hugo Young, columnist for The Guardian, wrote Tuesday, reflecting a widely held view among lawyers here. "Through the folly of a single judge, the Law Lords, from being the heroes, may soon become the villains."

As two days of hearings opened Tuesday, the task of a panel of five Law Lords, separate from the five who ruled last month, was to determine whether the relationship between Lord Hoffmann and Amnesty International was "so clear and obvious" that there was a "real danger" that he could have been even unconsciously influenced.

Clare Montgomery, the lead lawyer for General Pinochet, noted that under British law it was a judge's duty to reveal any links of kinship, friendship, employment or financial relations with any parties in a case.

She argued that Amnesty International had published a report in 1993 with Lord Hoffmann's knowledge "which

was highly critical of Senator Pinochet and the failure to prosecute anyone in connection with his period of rule." The group's purpose, she said, was securing the abolition of "torture, extrajudicial execution and disappearance," the very crimes attributed to General Pinochet in the dispute before the Lords about whether he was entitled to immunity.

"This is way beyond simply being a member of an organization," she said. "The links we suggest are so great and so many that any reasonable person looking at this would say we have a reasonable apprehension that there may be bias."

Ms. Montgomery noted that Lord Hoffmann had been a particularly "active and hostile interrogator" of counsel for General Pinochet during the six days of hearings in November. Alone among the five Law Lords announcing their verdicts, Lord Hoffmann gave no explanation for his decision.

"We hope," Ms. Montgomery said in summing up, "that a brief review of the evidence justifies the contention that we put forward, that Amnesty, quite apart from being a party, is a protagonist deeply opposed to Senator Pinochet and deeply opposed to any principle of law that would grant him immunity. In these circumstances, the substantial links both of Lady Hoffmann and of Lord Hoffmann are relevant matters."

General Pinochet's attorneys have also said they will appeal the decision last Wednesday by the British home secretary, Jack Straw, to let the Spanish extradition petition go forward in the English courts.

Champagne Stores Tapped for 2000

Agence France-Presse

REIMS, France — Champagne producers have released the equivalent of 74 million bottles of 1992, 1993 and 1994 wine from their reserves to meet the heavy demand expected for millennium celebrations.

The move is expected to enable Champagne producers to reconstitute their stocks after a burst in demand for this New Year's Eve, the Champagne producers' committee said Tuesday.

Sales for 1998 are estimated at 290 million bottles and are expected easily to surpass 300 million next year.

Champagne production, limited to 30,500 hectares (74,100 acres) of vineyards, is sensitive to varying weather conditions.

Production can range from 236 million bottles, as in 1997, to 330 million in 1998.

To maintain regular stocks and price stability, Champagne producers keep reserves from heavy production years to compensate for the years when production is low.

NOBEL: Did Prize Winner From Guatemala Stretch the Truth?

Continued from Page 1

scholarship student at two prestigious private boarding schools operated by Catholic nuns.

Because she spent much of her youth in the boarding schools, it is extremely unlikely that she could have worked as an underground political organizer and spent up to eight months a year laboring on coffee and cotton plantations, as she describes in great detail in her book.

In an interview in September, Miss Menchu repeatedly declined to respond to the discrepancies that the Stoll manuscript raises.

"I'm proud of the book," she said, describing it as "part of the historical memory and patrimony of Guatemala" and dismissing any criticism as part of a racist political agenda intended to gain attention and publicity.

"There have been 15,000 theses written about me all over the world by people who have read the book and made commentaries about it," she continued, referring to her autobiography, which has been translated into at least a dozen languages. "I don't dedicate myself to checking this, and I don't deny or contradict what is said in books about me. That's not my job."

Miss Menchu declined repeated requests this month for comment.

With one exception, the people interviewed in Guatemala have not read her book and were sympathetic to Miss Menchu and the trials she and her family underwent during Guatemala's 36-year civil war, which ended in 1996. Between 1979 and 1983, Miss Menchu's father, mother and two brothers all died at the hands of government security forces, everyone here acknowledges.

"She suffered greatly, seeing her whole family dispersed by the violence," said Clemente Diaz Cano, a neighbor and contemporary of Miss Menchu's.

The exception is Alfonso Rivera, one of the few people here who has actually read Miss Menchu's autobiography. As the clerk for the municipal government for 30 years, he kept all official records.

"The book is one lie after another, and she knows it," Mr. Rivera said.

Geir Lundestad, director of the Norwegian Nobel Institute and permanent secretary of the Norwegian Nobel Committee, said in a phone interview from Oslo that he was aware of the Stoll manuscript and had no reason to doubt its veracity. Nevertheless, he said, "there is no question of revoking the



An anti-Pinochet demonstrator protesting on Tuesday outside the House of Lords session in London.

CLINTON: Key Moderate Republicans Join Impeachment Drive

Continued from Page 1

open Thursday, only a few were still undecided which lever they would pull.

They were much on the mind of the president, who was returning late Tuesday from the Middle East. It was unclear whether there was time left for even a dramatic gesture — perhaps a statement to the House of Representatives — to tip the balance away from impeachment.

White House aides said they were waiting to hear whether Mr. Clinton had decided to run the risks of such a gesture.

His earlier comments have often fanned Republican anger because the president has not admitted that he lied under oath in the Paula Jones sexual harassment inquiry or before the grand jury of the independent counsel, Kenneth Starr.

And while some House members have said they will oppose impeachment only if Mr. Clinton admits to having lied under oath about his relationship with Monica Lewinsky, a former White House intern, others might use such an admission to justify a vote to impeach.

Another jolt to White House prospects came from Representative Jack Quinn of New York, who had been one of the first Republicans to publicly oppose impeachment.

He reversed himself Tuesday, saying he would vote for the four articles of impeachment. Representative John McHugh of New York was among the other Republicans who said they would support impeachment.

Two of the four articles of impeachment, sent to the full House by the Judiciary Committee, assert that Mr. Clinton committed perjury in his sworn denials of having had an intimate relationship with Ms. Lewinsky, each holds that he obstructed justice in seeking to conceal the relationship, and one holds

that he abused his power in his attempts to resist the investigation of his affair.

If a simple majority of House members — 218 of the 435 — votes for even one article, then the Senate will hold a trial, presided over by the chief justice. With senators acting as a jury, 57 votes in the 100-seat chamber would be required to remove the president from office.

Clinton loyalists and Democratic allies carried their anti-impeachment drive forward Tuesday on a variety of fronts, from radio ads to rallies and vigils. The White House, however, seemed shaken and unsure of what more it could do.

"The reality is there is less and less that can be done from here," Ann Lewis, the White House communications director, told the Los Angeles Times. "This is a somber place. We've got a very difficult challenge."

Pressure on still-undeclared legislators was intense. Some were receiving 250 telephone calls an hour.

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for suggesting that it would be "political suicide" for him to oppose impeachment.

If a simple majority of House members — 218 of the 435 — votes for even one article, then the Senate will hold a trial, presided over

ASIA/PACIFIC

Jiang Casts His Vote in Elections Denied to Dissidents

Agence France-Presse

BEIJING — President Jiang Zemin cast his vote Tuesday in local elections in which opposition activists have been banned by the authorities from running as candidates.

President Jiang visited a downtown polling place in Beijing this morning to cast his vote in a local legislative election, the official Xinhua press agency reported Tuesday.

At least three dissidents attempted in recent weeks to register as candidates for the elections to choose representatives to local councils under China's Parliament, the National People's Congress.

County, district and township elections have been held in China

since 1954, though they were suspended during the Cultural Revolution in the late '60s and '70s. But the elections are tightly controlled by the Chinese Communist Party, which has the power to eliminate any "undesirable" candidates.

Members of the people's congresses are not elected by direct franchise but through a series of recommendations made largely by party members.

He Depu, a longtime activist, began a campaign ahead of local elections in Beijing's eastern Chaoyang district in September on a platform of demands for democratic reforms in China.

His candidacy was invalidated by the authorities before polling began,

although he collected three times the number of signatures required for nomination.

"But I still went to the polling station to vote for myself today," he said, adding he would also attend the count to see how his ballot paper was dealt with.

Two other dissidents, Gao Hongming and Wang Zixin, also candidates in local elections who had their candidacies annulled by authorities, announced earlier this month they had dropped out of the contest.

The trio blamed previous representatives for failing to stand up to the Communist Party and government to protect people's rights.

Activists connected to the fledgling opposition China Democ-

racy Party vowed last month to use all legal means to fight the Communist regime but were met with an unflinching party line.

Li Peng, second-ranking in the Chinese Communist Party hierarchy, said in a recent interview that China would not allow the creation of opposition parties or introduce Western-style democracy.

To make the party line even clearer, authorities began a crackdown last week, arresting two high-profile dissidents, Xu Wenli and Qin Yongmin.

Mr. Qin is to be tried Thursday in the central city of Wuhan, on the same day as the trial of the founder of China Democracy Party, Wang Youcai, in the eastern city of Hang-

zhou. Both are charged with incitement to subvert state power, while Mr. Xu is likely to be charged with endangering state security.

Intimidation by authorities has left Mr. Wang and Mr. Qin without lawyers to defend them two days before they go on trial.

Beijing held elections for deputies to district councils in 10 urban districts, Xinhua said. Authorities were expecting 5.67 million people to turn out for the poll.

Mr. Wang, 32, is seen by authorities as the leading figure in the China Democracy Party.

Together with two other activists, he submitted an application to formally register the party in Hangzhou on June 25.

BRIEFLY

Police Checked Anwar's DNA

KUALA LUMPUR — The police obtained a blood sample from former Deputy Prime Minister Anwar Ibrahim to test whether he was HIV positive, a senior police officer testified Tuesday at Mr. Anwar's corruption and sexual misconduct trial.

The assistant commissioner of police, Musa Hassan, did not say what the results of that test were or why the police felt compelled to test him for the human immunodeficiency virus, which leads to AIDS. But the officer surprised the High Court by admitting during cross-examination that the sample had been used to obtain a DNA fingerprint. Mr. Anwar was not told about the DNA test, Mr. Musa said.

The test has been used to determine whether DNA in the semen stains on a mattress, produced as evidence in court Tuesday, matched the DNA in the sample. The court was not told of the result. Prosecutors say the mattress was seized from an apartment that they contend Mr. Anwar used for secret sexual encounters. (AP)

Indonesian Ruling Party Splits

JAKARTA — Prominent members of Indonesia's governing Golkar party, distancing themselves from the Suharto regime, said Tuesday that they would form a breakaway party to contest the national election in June.

The group, which includes former Golkar ministers and military chiefs, said it was disillusioned with the party that had dominated Indonesia for 30 years.

"Our main priority is to value and improve human rights and to fight for the freedom of every individual," said Edi Sudradjat, an armed forces chief and defense minister under the previous president, Suharto.

He said the new Justice and Unity Party had the backing of General Try Sutrisno, once Mr. Suharto's potential successor. General Sutrisno is a former Suharto aide who rose to become armed forces chief and was vice president until May. He is now rated a dark horse for the presidential election that will follow the June 7 national poll. (Reuters)

India Planes Get Safety System

NEW DELHI — Most airlines operating in India have installed airborne collision-avoidance systems in their aircraft before a Dec. 31 deadline, a senior Civil Aviation Ministry official said Tuesday.

"I would say that almost 90 percent of airlines have completed installation of the system," the official said. The system warns a pilot if the aircraft is on a collision course with another. In November 1996, 349 people died when a Kazakh Airlines aircraft collided with a Saudi Arabian Airlines plane over India. (Reuters)

Waste Dump Worries Cambodia

PHNOM PENH — The discovery of 3,000 tons of waste left near Cambodia's only seaport has environmental officials fearing their country is being used as a toxic dumping ground.

The jumble of rubble and dirt was found last week 185 kilometers (115 miles) southwest of Phnom Penh on the outskirts of the port of Sihanoukville. It was shipped from Taiwan by a local company in November, Environment Minister Mok Maren said Tuesday. Secrecy surrounding the waste has led to fears that it is toxic, he added. (AP)

U.S. Food Aid Could End Deadlock in North Korea

By Philip Shonan
New York Times Service

WASHINGTON — North Korea, in exchange for food aid, has dropped a demand that the United States pay hundreds of millions of dollars for the right to inspect a huge underground center that American intelligence agencies had feared would be used to make nuclear weapons, according to senior Clinton administration officials.

In meetings with State Department officials in New York and Washington this month, they said, the North Koreans suggested they would be willing to allow the United States to inspect the facility in exchange for food to ease the famine that has plagued North Korea for years.

U.S. officials welcomed the new negotiating stance — both because it could salvage a four-year-old agreement intended to shut down North Korea's nuclear weapons program and because it suggested that Pyongyang had not yet begun building a nuclear reactor at the site.

Earlier, they said, the North Koreans had demanded a payment of \$300 million in exchange for the inspection — a demand Washington had rejected.

The main thing is that they have agreed in principle to allow access to the site, which suggests that there probably isn't anything there," a senior administration official said. "It also indicates that whatever plans they had for this facility have been scrapped."

Another senior official said: "We

seem to be in a problem-solving mode. We're still apart, but there seem to be real negotiations going on."

Administration officials had insisted that the United States would never make a cash payment for the right to inspect the underground center, which is being built 40 kilometers (25 miles) from the North Korean nuclear complex at Yongbyon.

But they said Monday that it would be easier to justify additional food and other relief aid, especially given recent reports of widespread starvation in North Korea. The United States has already provided North Korea with 500,000 metric tons of food this year.

The State Department refused to confirm that the North Koreans had dropped the cash demand for inspection of the site. But a department spokesman, James Foley, acknowledged that "some progress had been made" in the recent talks between U.S. and North Korean negotiators. "Important gaps remain," he said, adding that further meetings would be held "as soon as possible to try to close those gaps."

Administration officials denied South Korean news reports that Washington and Pyongyang had already reached an agreement on a deal to allow American inspection of the construction site.

Aerial photographs taken this year on behalf of U.S. intelligence agencies showed thousands of laborers at work on the huge underground plant. The discovery led to fears that North Korea had decided to revive its nuclear weapons program at the site in violation of a 1994 agreement with the United States.



Seoul Magnate Goes North



As Chung Ju Yung of the Hyundai Group left for North Korea on Tuesday, Northern soldiers took pictures of their Southern counterparts at the border village, Pannunjom.

The Associated Press

SEOUL — The owner of South Korea's largest industrial conglomerate crossed the heavily armed border into North Korea on Tuesday to discuss tourism and other business opportunities in the reclusive Communist nation.

Chung Ju Yung, 84, the founder of the Hyundai Group, and several aides walked into the North through the neutral village of Pannunjom inside the demilitarized zone separating the Koreas. It was his third visit this year.

Mr. Chung said he would discuss building an industrial park on North Korea's west coast to accommodate textile, footwear and other businesses that would be moved from the South.

Hyundai began operating sightseeing cruise tours of Diamond Mountain, a scenic attraction on the North's east coast, on Nov. 18.

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THE WORLD'S DAILY NEWSPAPER

Censure, Don't Impeach

President Bill Clinton is a manipulator of the truth who has spent much of his career in the gray zones of American politics. It is not just a no-man's-land between the parties and their philosophies that he seeks to occupy. Time and again, his self-protective instincts have led him across the dividing line between principle and deviousness and, unfortunately, the line between truth and falsehood as well.

The people knew that about him in 1992, and again in 1996. Both his personal and political histories attested to it. They elected, and re-elected, him anyway. Now the House Republicans, on the strength of the ultimate example of those manipulative tendencies, propose to reverse that popular judgment and set in motion a process to remove him from office.

They lack the basis for the momentous step they are almost casually undertaking. It's an ill-considered force play on their part, and wrong. We do not say that as apologists for this president; we are anything but. Nor do we seek to defend his behavior in this case, which continues to be contemptible and plainly wrong. The question is not whether wrong was done but whether the wrong is sufficient to impeach.

The Judiciary Committee has sent four articles of impeachment to the floor. Two are prosecutorial confessions that have no place in the debate. The charge of abuse of power for failing to answer questions to the committee's satisfaction sets a precedent with which no one should be comfortable. The potentially most dangerous charge of obstruction of justice remains unproven; it is based on inconclusive evidence which the committee unaccountably chose never independently to explore.

The remaining charges of lying under oath and otherwise are proved all too well. The president's own lawyers acknowledged that he failed to tell the truth even as they denied he committed the technical offense of perjury: "maddening," one called it, in an effort to seem sympathetic to Mr. Clinton's critics even as he minimized their complaint. But it is more than maddening. The system of justice is warped when a witness fails to tell the truth; the legitimacy of government likewise depends, even in an age of attack ads, on the ability of the public ultimately to trust what it is told by those in authority. The president's offense is the greater because he continues to be dismissive of the substantive importance of what he did. He wants the standard of judging

If the choice is between a response to this behavior that goes too far and one that goes not quite far enough, the latter is the preferable alternative. The Republican leaders themselves seem shaky about what they are about to do, as well they should be. They call on him to resign; that would let them off the hook. We wrote in this space months ago that resignation would be an honorable course, but he chose not to take it, and it is out their place to urge it for their own convenience now.

The Senate is thought unlikely to vote to remove the president even if the House does vote to impeach him. But that does not make this a free vote for the House, either. It would not trivialize the impeachment clause to invoke it in this case, but it would lower the standard for impeachment. That is the choice this president confronts us with. What will he drag down with him? Censure minimizes the damage while expressing the necessary condemnation. It is an imperfect answer, but the right one. The House leadership does a huge disservice in boldly refusing to let it come up.

—THE WASHINGTON POST.

A Step Forward in Gaza

The five-year quest for peace in the Middle East has been characterized by long periods of frustration, but also by moments of transformation and hope. One of those occasions unfolded Monday in Gaza City as many of the same Palestinian leaders who had dedicated themselves to the destruction of Israel committed themselves instead to non-violent methods in the pursuit of a compromise peace.

In the presence of President Bill Clinton, the Palestine National Council formally revoked passages of its charter that called for the violent elimination of Israel. These old oaths of enmity understandably unnerved Israelis and undermined their trust in Palestinian promises to abandon and combat terrorism. Israel's prime minister, Benjamin Netanyahu, who had personally led the struggle for an ambiguous repudiation of the offending clauses, promptly and properly acknowledged the Palestinian decision.

In his words and deeds Monday, Mr. Clinton walked a narrow but care-

ful line. He emphasized the political advances the Palestinians have already made under the Oslo peace accords, without quite treating the Palestinian leader, Yasser Arafat, as a full-fledged head of state. Noting that he was "the first American president to address the Palestinian people in a city governed by Palestinians," Mr. Clinton described the economic benefits that would flow from this autumn's Wye River peace agreement, including American aid and the opening of the new Gaza port.

No one imagines that further progress will be easy. The uncertainties of Israeli politics, the violence of recent Palestinian demonstrations and the occasionally overheated rhetoric of Israeli and Palestinian political leaders all complicate the peace effort. But if the unambiguous commitment to peaceful methods reflected in Monday's speeches and actions is faithfully maintained by the Palestinians, Israelis will feel far more comfortable about proceeding with the Oslo agreements.

—THE NEW YORK TIMES

South Korea on the Mend

It seems everyone was paying attention last year when South Korea's economy was collapsing and the United States, Japan and the International Monetary Fund were pledging \$58 billion in emergency loans. Far fewer people took note last week when South Korea announced it would begin paying off those debts. The repayment firmly symbolizes the progress South Korea has made under President Kim Dae Jung. Its foreign reserves have been built up. Interest rates that had soared have descended to pre-crisis levels. The Korean won has strengthened.

None of this means South Korea's crisis is over, any more than Asia overall is out of the woods. Analysts in

—THE WASHINGTON POST

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A Reasonable Solution to the Impeachment Matter

By Bob Dole

WASHINGTON — While no longer a member of Congress, as the Republican presidential candidate in 1996 I do have more than a passing interest in the pending impeachment proceeding.

Without rehashing that election, suffice it to say that any chance of success I may have had was wiped out by an avalanche of negative television advertising paid for with money raised through questionable fund-raising tactics by the president and vice president. Attorney General Janet Reno has buried her head in the sand on this serious matter, but let's hope that someone in Congress will hold the attorney general accountable and pursue the alleged illegal fund-raising activities.

Having said that, let me lay out what might be an imperfect but tough and reasonable solution to the pending impeachment matter.

I have reminded myself that the constitutional responsibility of the House to convict or acquit is the constitutional responsibility of the Senate. I seriously doubt that the American people understand the complex impeachment process.

Let me also note, at the outset, that many large and small details would have to be worked out by congressional leaders working with the House and Senate parliamentarians and legal counsels.

I've been there and know how much work putting all this together will entail, including all the procedural hurdles.

So, here goes:

Step No. 1: Vote in the House of Representatives on any or all of the four articles of impeachment reported by the House Judiciary Committee.

Step No. 2: Regardless of the outcome of the House vote on any of the four articles, the Senate majority leader

would, at the earliest possible time, introduce in the Senate a joint resolution (numbered 1600 if possible). The resolution would contain the essence or "guts" of all articles of impeachment considered by the House, plus any other necessary language, as determined by the Senate majority leader.

Step No. 3: After suspending or amending the rules governing impeachment proceedings, the Senate would take up and consider the joint resolution under a time agreement.

The vice president (president of the Senate) would preside at all times. No amendments except technical amendments offered by the majority leader would be in order.

All points of order would be waived.

Step No. 4: Upon final action by the Senate, the House of Representatives would take up the joint resolution; no amendments in order, except technical amendments offered by the speaker or his designee. Points of order would be waived. The resolution would be considered under a time agreement.

Step No. 5: If a House-Senate conference is necessary, the conference report would be considered under a time agreement in both the House and the Senate.

Conditions

1. The president announces his intention to support and sign the joint resolution before any action on the resolution by the Senate.

2. The president agrees to sign the joint resolution at a public signing ceremony attended by the vice president, congressional leadership and other appropriate members of the House and Senate recommended by Democratic

and Republican leaders; the president's cabinet; the chief justice of the Supreme Court, and others as recommended by House and Senate leaders.

b. White House, Senate and House media — television, radio, print and photographers — shall be present.

c. The site, date and hour of the ceremony is to be determined by the House speaker, or his designee, and the Senate majority leader.

d. Copies of the signed joint resolution, with an appropriate presidential letter, are to be forwarded to members of the cabinet, members of Congress and heads of other government agencies. This is to be completed within seven days of signing the joint resolution.

e. The overall agreement is to be determined by the speaker, or his designee, and the Senate majority leader. Possible items:

a. All congressional action completed by the president's signature affixed on or by Jan. 2, 1999.

b. Bipartisan. Any agreement in the House or Senate with reference to the proceedings shall be inoperative if the president, vice president and Democratic congressional leaders fail to publicly and actively support the joint resolution. Support is to be demonstrated by the president, vice president and Democratic leadership in House and Senate, prior to and throughout consideration of the joint resolution. Republican leaders also agree to publicly and actively support it.

c. The speaker, or his designee, and the majority leader shall outline procedure, rules, time and any and all other matters pertaining to debate and disposition of the joint resolution, and could, if appropriate, include provisions relating to the president's legal obligations upon leaving office.

3. Penalties. Any penalty imposed

must be in accordance with the constitution and could require the voluntary agreement by the president to overcome the prohibition against bills of attainder.

Summary

These are my ideas. They are offered in good faith. I have consulted with no one.

They may not be worthy of a second thought, but I believe the suggestions could lead to a fairly broad bipartisan result. There is scarcely anyone who believes that the required 67 senators would vote to convict the president on any of the four articles of impeachment approved by the House Judiciary Committee, notwithstanding what the full House might do.

I hope these suggestions will be seen as a blending of responsibility and justice, which will permit an expeditious disposition of the entire matter before the new 106th Congress begins in January 1999.

It is also my hope that pursuing the above suggested outline, or a modified version thereof, would demonstrate to the vast majority of Americans that Republican congressional leaders will fulfill their constitutional responsibilities, clear the decks and move forward when the 106th Congress convenes on Jan. 6, 1999.

I cannot imagine a better way for Republicans to start the new year than by taking charge, and producing just results, at this historic moment. It is time for a tough but responsible conclusion. Maybe these ideas will be a starting point for a bipartisan ending.

The writer, the former Senate majority leader, was the Republican candidate for president in 1996. He contributed this comment to The New York Times.

The Political Process Is Working Just as the Founders Intended

By David S. Broder

WASHINGTON — When it was suggested here a few weeks ago that the impeachment process, then about to begin in the House Judiciary Committee, could be an instructive experience for the country, many readers responded incredulously. But despite many obstacles, that process has begun to work. We have had a healthy debate about the constitutional standard for removing a president from office, and we are now having an equally important discussion about the role of public opinion in a republic.

The national conversation has not been all that it might have been, in part because the television networks, in flagrant disregard of their public interest obligations, refused to interrupt their entertainment schedules to carry the House Judiciary Committee debate.

That debate was more narrowly partisan than it was during Watergate, which was no surprise. Judiciary is, as noted here previously, the most ideologically polarized committee in the House, dominated by conservative Republicans who joined in order to fashion social-issue amendments to the constitution and by liberal

Democrats — almost half of them from three Northeastern states — who signed up in order to thwart those very amendments.

With the single exception of Representative Lindsey Graham of South Carolina, who broke ranks with his fellow Republicans to oppose one of the perjury counts, party lines held firm on all the final votes.

No one demonstrated the statesmanship that compelled almost half the Republicans on Judiciary to vote to impeach Richard Nixon.

And no one yet has done what the late Barbara Jordan did — in lifting the tone of the debate to the level such issues deserve. The oratory so far has been pedestrian.

Notwithstanding all of this, for those who were watching, listening or reading, the Judiciary Committee debate settled two important points.

First, it banished such irrelevancies as the cost and duration of the investigation of the independent counsel, Kenneth Starr, and the motives that impelled Mr. Starr to pursue the case. The "war room" tactics of James Carville and some

of these actions meet the constitutional standard for impeachment. The public — which judges him guilty of the crimes of which he now stands accused — says they do.

A Gallup poll released Dec. 10 by CNN and USA Today found that majorities of the public believed the charges in all four of the counts to be true but opposed impeachment on any of them.

This too is well worth considering. The whole system of representative government has been under challenge. Congress has suffered from persistent voter disapproval, even as individual members have won re-election year after year.

In half the states, where the initiative process is available, voters increasingly have chosen to bypass the legislature and enact laws themselves.

The Founders deliberately put the impeachment process in the hands of a political branch, Congress, knowing that its members would be held accountable for their decisions at the next election. That is certainly the case now; 80 Republican members of the House, including most of the uncompromised who hold the president's fate in their hands, represent districts that voted for Mr. Clinton in 1996.

Those men and women will undoubtedly weigh the political consequences as they consult their consciences on the impeachment vote. And that too is exactly as it should be — of government by public opinion, poll by poll but by officials accountable to the voters.

The Washington Post.

Only Major Structural Reforms Will Lift East Asia Out of Crisis

By Steven J. Green

SINGAPORE — In less than 90 days, many of East Asia's financial markets have made an impressive comeback. People have put away their pessimism and almost embraced optimism. The benchmark Singapore Straits Times stock index is nearly 60 percent above September levels. Almost all the other regional markets have turned up sharply, some as much as 70 percent.

Does this mean we have reached the bottom and are on the way out of the crisis? Should we just wait, and get ready to ride the wave back up for another decade of the "Asian miracle?"

I do not think so. The way out of the current crisis is first to realize that we are still in one. The long-term fundamental problems of East Asian economies and markets are not over. Remember that the Straits Times stock index sank to the 1,100 level in January, rebounded to go past 1,600 points by March, before plummeting to the 800 level by September. Other regional bourses followed a similar pattern. This volatility will probably continue for some time to come.

There has been no fundamental change in Asia to justify a sustained rally in the financial markets, much less to sustain economic growth in the years ahead. The volatility of the past year is a reflection of the movement of "short-term" money coming in and out of very thin markets, taking advantage of short-term technical movements. It does not take much to move the markets in this region.

In September, the total capitalization of the combined stock markets of the countries belonging to the Association of Southeast Asian Nations was approximately \$300 billion. There were little or no public funds brought into the region. In 1997, the risk premiums are likely to be prohibitively high, so that few can afford to borrow. By comparison, Japanese and European banks have taken even larger hits in the region. Not only have they stopped lending, most are

reducing personnel, and some are even closing up shop in the region.

As for direct equity investments, many American companies are looking for opportunities in the region. But most are still window shopping, not buying. Investors — both creditors and equity investors — cannot deal with the level of uncertainty that now exists in most of East Asian economies.

Apart from the political uncertainty in some countries, investors still find that, without greater transparency, proper bankruptcy laws, and an honest and effective judicial system, they have no firm legal and financial architecture to rely on. A lesson learned from the East

Asian crisis is that better due diligence will need to be done in the future. In the absence of fundamental changes, only short-term trading capital will come looking for bargains.

Yet there is still great growth potential and a huge market in Asia. When the region gets its house in order, it will be able to re-allocate the money needed to return to long-term economic expansion based on a new and more secure foundation.

The writer, U.S. ambassador to Singapore, was chairman of Astra International Corp. This comment was adapted from a recent speech to the Singapore Chinese Chamber of Commerce and Industry.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Bryan's Dissent

PARIS — [The Herald says in an Editorial:] Mr. Bryan has further qualified for the title of a "black number" by issuing a manifesto. He declares that "a nation cannot exist which is half free and half vassal." As directed against the United States policy of expansion, this new epigram is as meaningless as was that which won for him the Democratic nomination two years ago. "Once bitten, twice shy"; and what likelihood is there of the American public being caught a second time by Mr. Bryan's phrases.

1923: Radio Record

OPINION/LETTERS

An Epidemic of Sanctions?
It's Sheer Nonsense

By Jesse Helms

WASHINGTON — In the past year, a handful of Washington business lobbyists have waged a blistering campaign to persuade the world that Congress has been engaged in a spasm of sanctions proliferation. Reliance on unilateral sanctions, these lobbyists warn us, is a disturbing new epidemic.

Their campaign has sparked dozens of news articles and editorials decrying the "sanctions frenzy" and castigating Congress's "voracious appetite" for sanctions.

Normally responsible journalists parrot statistics — conveniently furnished by these business lobbyists — alleging that in the last few years the United States has placed anywhere from one-half to two-thirds of the world's population under the yoke of economic sanctions.

This is sheer nonsense. The statistics peddled by the lobbyists are grossly inflated and intentionally misleading: Half of the world is not living under American sanctions — nowhere near it. There is no epidemic. Congress has been cautious and circumspect, passing just a handful of carefully targeted sanctions laws.

One statistic is by now conventional wisdom: In just four years the United States has imposed sanctions 61 times, burdening 2.3 billion people (42 percent of the world). That would be pretty awful, save for one thing — it is not true. These figures have been circulated by the anti-sanctions business group USA Engage, based on a study by the National Association of Manufacturers, or NAM. They are a fabrication.

At my request, the Congressional Research Service evaluated the association's claim that from 1993 through 1996, "61 U.S. laws and executive actions were enacted authorizing unilateral sanctions for foreign policy purposes." The congressional agency reported that it "could not defend" justify the number.

How did the manufacturers' group come up with 61 sanctions? The study alleges that 20 laws were passed by Congress and 41 were imposed by presidential action. This is a gross distortion: nearly three-quarters of the congressional measures were not

sanctions at all, but conditions, limitations or restrictions on U.S. foreign aid.

One measure placed conditions on assistance to the Palestine Liberation Organization. Another barred aid for military or police training to Haitians involved in drug trafficking or human rights abuses. One "sanction" blocked assistance to countries knowingly harboring fugitives wanted by the international war crimes tribunals for Rwanda and the former Yugoslavia. Still another prohibited Defense Department aid to countries supporting terrorists.

And what about those 41 "sanctions" imposed by the executive branch? Five are not unilateral, but rather represent U.S. compliance with UN Security Council sanctions — multilateral, by definition, in seven cases, the manufacturers' study counts the same sanction repeatedly, identifying it each time as a separate sanction.

For example, the measure declaring Sudan a terrorist state is counted five times: The trade group lists two cases when no sanction was ever imposed, including a November 1994 executive order that even the study conceded in fine print "did not impose any specific new sanctions on any countries."

Eight cases represent mere restrictions on U.S. foreign aid: Five are limited bans affecting only military exports to Zaire, Nigeria, Sudan, Haiti and Angola. Thirteen affect only a specific foreign company or person — not an entire country, not an entire industry, but one specific entity — for example, banning imports from Qinghai Hide & Garment Factory in China for its use of prison slave labor or seizing the assets of individual Colombian drug traffickers.

These actions are obviously not what most people think of as "sanctions." They think of broad, trade bans affecting whole countries, entire industries, vast populations or access to large markets — not of blocking imports from a single prison factory in China, seizing the assets of drug barons or halting the sale of lethal weapons to terrorist states.

The claim that 42 percent of the world's population has been affected is also bogus. The study lists the entire population of the former Zaire as being under U.S.



sanctions because the United States barred sales of defense items to the government. The same goes for China, Nigeria, Mauritania and Pakistan, where the Congressional Research Service notes that such highly targeted actions "put the entire populations of these countries into NAM's calculation, even though most people."

What is the reality? Between 1993 and 1996, Congress passed and the president signed a total of five new sanctions laws: the Nuclear Proliferation Prevention Act of 1994, the Cuban, Liberty and Democracy Solidarity Act of 1996, the Anti-Terrorism and Effective Death Penalty Act of 1996, the Iran-Libya Sanctions Act of 1996 and the Free Burma Act of 1996.

During the same period, the president imposed just four new sanctions: declaring Sudan a terrorist state; banning imports of munitions and ammunition from China; tightening travel-related restrictions, cash remittance levels and the sending of gift parcels to Cuba (restrictions that have since been lifted); and imposing a ban on new contractual agreements or investment in Iran. Nine new sanctions. That is it.

The allegation of a sanctions epidemic is demonstrably false — a myth spread with the intention of misleading Congress, the public and the business community.

What the lobbyists dislike is not the idea of sanctions but the reason some sanctions are imposed. They tacitly admit that sanctions work but insist that sanctions are

good only if they defend business interests, not national interests.

According to the lobbyists, the United States should be hamstrung when a government proliferates weapons of mass destruction, commits genocide, tortures its people or supports terrorists. But if that same government floods the American market with cheap TV sets, America should throw the book at it.

But the business lobbyists cannot say that, so they attempt to confuse the issue with cooked-up data and claims of an epidemic.

The writer, the senior senator from North Carolina, is chairman of the Senate Foreign Relations Committee. This article is adapted by The New York Times from a longer version in Foreign Affairs.

LETTERS TO THE EDITOR

A Bad Column?

In response to "Hillary Rodham Clinton Is Too Valuable for Americans to Lose" (Opinion, Dec. 11):

Every columnist should be allowed a bad column once a year, and Flora Lewis had hers with the column about the canonization of a living saint, Hillary of Arkansas. The only thing worse than the fawning, whining, flack-in-residence tone of the article was the headline.

Mrs. Clinton made a devil's bargain long ago, and she has

not reaped the profit she sought.

America was O.K. before she moved to Washington; it will get along fine after we've "lost" her.

DAVID H. MAMAUX

Hamburg

I certainly hope that Congress will not even entertain the idea of selling the presidency back to Bill Clinton.

BOB ELLIS

Rapid City, South Dakota

Representative Henry Hyde should be put in charge of Amtrak: He certainly knows how to run a railroad.

FREDERICKS

Hong Kong

for his acts other than that which he thinks will get him some mileage in the anti-impeachment effort.

I certainly hope that Congress will not even entertain the idea of selling the presidency back to Bill Clinton.

In 1999, it will be impossible to enter a bookstore without being assaulted by jacket copy that reads, "Four members of the Yale Class of 1975 — a dreamer, a cynic, a saint and a sinner — find

their paths crossing once again... on the brink of the millennium."

While it is possible to avoid reading — and most Americans do — experts are concerned about another, more intractable problem for which there is no known solution: the expected upswing in use of the song "I Party Like It's 1999," by the artist formerly known as Prince. The once catchy dance track will become unbearable, ubiquitous, and will inevitably be co-opted by do-gooder types to lame effect. ("Come and party like it's 1999 — for world literacy!")

The writer co-produced the movie "Pleasantville." He contributed this comment to The New York Times.

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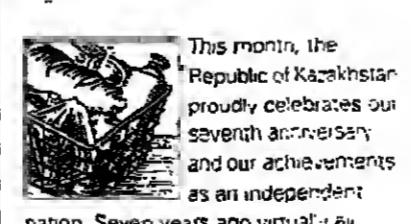
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INTERNATIONAL

Angola's Civil War Is Escalating Rapidly, UN Concedes

By Lynne Duke

Washington Post Service

LUANDA, Angola — On a day when a government plane was shot down, a key central town was reported to be under intense rebel shelling and air evacuations of refugees were being described in terms reminiscent of Saigon in 1975, the overseer of Angola's peace process acknowledged that the country has returned to war.

"There is a war," the United Nations secretary-general, Kofi Annan, said this week in New York. Noting the continuing bloodshed in this southwest African nation, Mr. Annan wondered

aloud whether the UN's efforts to foster peace had come to an unsuccessful end. Speaking of the Security Council, he said that it "soon will be obliged to decide whether the UN has a role to play or not."

His grim assessment was made after months of escalating fighting between the Angolan government and the National Union for the Total Independence of Angola, which is known as UNITA. The two have been at war for most of the last 23 years, initially as Cold War proxies of Moscow and Washington. Their slide into all-out war began this month when government forces apparently launched an assault on UNITA strong-

holds in the central highlands.

The two sides signed a much-vaunted peace accord in 1994, but UNITA violated its terms by rearming its forces and retaking territory it had ceded to government control. The rebel group financed its operations by mining and illicit marketing of diamonds, despite several international trade and arms embargoes, according to a report on Angola's diamond trade made public Monday by a research group, Global Witness, which is based in London.

A diplomat close to the peace process said that the current fighting proved the futility of a reconciliation effort in which the UN, the United States, Por-

tugal and Russia — the shepherds of the peace process — too often looked the other way and accepted UNITA's talk of peace even as the rebels were unmistakably preparing for war.

"We all knew it was wrong," the diplomat said. "We all knew that arms were coming in and nobody tried to stop it."

As a result, UNITA's leader, Jonas Savimbi, is demonstrating once again that if he cannot rule Angola, he can certainly make it difficult for anyone else to govern the country effectively.

"He's got ambition, he's got ego, he's got money, and he's got arms," a U.S. official said last week. "Can the

government take out UNITA? They have been unable to do so."

But few analysts say UNITA is capable of toppling the government.

UNITA and the governing party, the Popular Movement for the Liberation of Angola, which is known as the MPLA, have been bitter rivals since before the country won independence from Portugal in 1975. When fighting broke out almost immediately after independence, the Soviet Union and Cuba backed the then-Marxist MPLA, while the United States and South Africa supported Mr. Savimbi as a bulwark against Soviet expansion in Africa.

After 16 years of fighting that claimed between 150,000 and 300,000 lives, tortuous peace negotiations and the MPLA's gradual abandonment of Marxism brought peace in 1991. It lasted long enough for national elections to be held the following year. But after being failed to win the presidency, Mr. Savimbi disputed the results and returned UNITA to the battlefield.

By the time the 1994 Lusaka peace accord halted Angola's war once again, at least 500,000 more people were dead, more than a million were homeless and the country was virtually mined.

Now the cycle appears to be repeating itself. About 400,000 people have been forced from their homes by fighting since the beginning of the year, said Maria Flynn of the World Food Program here. More land mines have been laid throughout the zones of conflict in what was already one of the world's most heavily mined areas.

Although its 90,000-member army is stretched thin by troop commitments to belligerent governments in Democratic Republic of Congo and the Congo Republic, Angola launched its anti-UNITA offensive on Dec. 4, by attempting to encircle and strike UNITA strongholds in the central highland towns of Baiundu and Andulo, about 355 kilometers (220 miles) southeast of the capital.

In response, UNITA counterattacked throughout Huambo and Bie Provinces, its strongholds, using heavy artillery and anti-aircraft missiles. State radio reported Monday that UNITA had taken four towns in Huambo and four in Bie since Dec. 4.

UNITA's resistance proved so stiff that some Angolan troops in Democratic Republic of Congo were pulled back home.

General Joao de Matos, the armed forces chief of staff, was quoted Monday in the main daily newspaper here, *O Jornal de Angola*, as saying that UNITA is as well armed now as it ever was.

Near Kuito, the provincial capital of Bie, UNITA apparently downed a government transport plane carrying supplies to Kuito on Monday, state radio said.

BRIEFLY

45 Kabilia Allies Said to Be Slain

KIGALI, Rwanda — Congo rebels fighting to topple President Laurent Kabila said Tuesday that 45 Zimbabwean soldiers, including two senior officers, had been killed in fighting around Kabalo, about 1,200 miles southeast of Kinshasa.

The rebels said they had destroyed tanks and artillery pieces and captured a gunner from a Zimbabwean helicopter they shot down over the weekend.

They also restated their intention to attend a meeting of heads of state of the Organization of African Unity in Burkina Faso on Thursday that will discuss the civil war and seek agreement on a cease-fire.

The ambassador of the Democratic Republic of the Congo said Tuesday in Nairobi that Kinshasa was ready to sign a truce if it contained a timetable for the withdrawal of all foreign forces. (Reuters)

2,557 Forced Off Caribbean Cruise

MIAMI — All 2,557 passengers were safely evacuated from the cruise ship *Monarch* of the Seas on Tuesday after it hit some underwater rocks as it was leaving Philipsburg, St. Martin, in the Virgin Islands.

Royal Caribbean Cruises Ltd., which owns the ship, said it had taken on water in 3 of 12 compartments. The cruise ship left San Juan, Puerto Rico, on Sunday for a seven-day cruise.

The captain sailed to Great Bay outside Philipsburg, where the ship was landed on sand in shallow water. Passengers, who had been given life jackets, were taken ashore on local boats. No injuries have been reported. (Reuters)

Diplomat to Form Cabinet in Algeria

ALGIERS — President Liamine Zeroual appointed a career diplomat, Ismail Hamdani, as prime minister on Tuesday, replacing Ahmed Ouyahia who resigned on Monday, a presidential statement said.

The daily *Al Khabar* said Mr. Hamdani, 68, would retain most cabinet members, replacing only the interior, communication and justice ministers. (Reuters)

Iran Attributes Killings To a Foreign 'Network'

Agence France-Presse

TEHRAN — Iranian officials blamed an unspecified foreign network on Tuesday for the murders of authors slain in a suspicious killing spree and said a number of suspects had been arrested.

At the same time, about 5,000 people attended the funeral Tuesday of one of the victims, the poet Majid Mokhtari.

Mr. Mokhtari's coffin, covered in red flowers, was carried through the crowds of relatives, friends, artists and writers that joined the funeral procession in the capital.

Crowds gathered outside the Nabi Mosque near Tehran University, where a memorial service was held before Mr. Mokhtari's body was taken for burial to Mehrshahr, near the town of Karaj, west of Tehran.

The family of Mohammed Jafar Pouyandeh, a writer and translator who was found slain last week in similar circumstances, was among the mourners.

Mr. Mokhtari and Mr. Pouyandeh were among three secular writers who battled for freedom of expression under the Islamic regime. They were confirmed to have been murdered, while the third author who had been abducted, Majid Sharif, died of a heart attack, according to the coroner's report.

The murder network is located abroad," a judiciary spokesman, Fotowat Nassiri Savadkouhi, told the official Iranian press agency, IRNA.

He also said on state television Monday that security forces had arrested a number of people in connection with the murders. He said the suspects also were implicated in the slaying in August of the former chief of a former prison director, Assadollah Lajevardi. That attack was claimed by the main Iranian armed opposition group, the People's Mujahedin, which is based in Iraq.

"More arrests will follow and the public will be informed soon," Mr. Savadkouhi said. He did not say how many suspects had been arrested or when the arrests had occurred.

According to Iranian newspapers, Mr. Pouyandeh and Mr. Mokhtari had planned along with others to form a writers' association. But the authors were recently summoned to the Justice Ministry and informed their venture was illegal.

In his first public comments on the killings, President Mohammad Khatami blamed "covert plots."

"These murders are complementing other plots against Iran by the great arrogance," he said Monday, employing a term used to describe the United States.



The coffin of the poet Majid Mokhtari being carried in a funeral procession Tuesday in Tehran.

Bogota and Rebels Agree to Peace Talks

Reuters

BOGOTA — Colombian government officials and Marxist guerrilla leaders have agreed to begin peace talks Jan. 7, breaking a five-week deadlock over ground rules for the negotiations.

They will be the first peace talks in six years in the long-running civil conflict, which has killed more than 35,000 people in the past 10 years.

"We have passed from procedures to actions,"

said Victor Ricardo, the government commissioner for peace, who made the announcement in San Vicente del Caguán after a four-hour meeting at an undisclosed jungle camp Monday.

Mr. Ricardo said President Andres Pastrana, who took office in August saying that peace was his top priority, and Manuel (Sureshot) Marulanda, commander of the Revolutionary Armed Forces of Colombia, would begin the talks in person.

Negotiations are to start in San Vicente, the largest town in the southeastern region that the government was to clear of troops as a condition for talks.

The demilitarization there had been due to be completed last month, but the government left about 130 conscripts in the barracks, saying they could not be moved for logistical reasons.

The revolutionary force, the major rebel group here, has argued that its negotiators would be at risk if all soldiers were not pulled out.

Mr. Pastrana said recently he would not extend

the overall demilitarization of the 16,000-square-mile (41,500-square-kilometer) region past Feb. 7. But analysts say it will be impossible to make any long-way by that deadline.

Persons close to the revolutionary forces said the guerrillas would try to delay negotiations to drag out the troop pullout for up to four years. Critics of demilitarization have said they feared that the rebels would use the troop-free zone as a base for arms- and drug-smuggling operations.

The rebels are demanding sweeping agrarian reform, an end to unrestricted free-market policies and fairer wealth distribution.

BOOKS

AMSTERDAM

By Ian McEwan, 193 pages.

\$21. Nan A. Tatesel/Daibedley

Reviewed by Michiko Kakutani

IAN McEWAN'S "Amsterdam," which won the Booker Prize in Britain this autumn, is a dark tour de force, a morality fable, disguised as a psychological thriller.

A chilling little horror story, easily read in one enjoyable gulp, "Amsterdam" is by no means McEwan's finest work: it is less ambitious than "Enduring Love" (1998) and "Black Dogs" (1992), and less resonant than "The Innocent," his 1990 masterpiece of Cold War suspense. One can only hope that this small, perfectly fashioned novel — novella, really — will send readers back to the rest of the talented McEwan's oeuvre.

Like so many of the author's stories, "Amsterdam" concerns the sudden intrusion of violent, perverse events into his characters' mundane lives, events that cruelly expose the psychological fault lines running beneath the

humdrum world. In "The Comfort of Strangers," a pair of middle-class tourists fall prey to a Machiavellian sadist during a trip to Venice. In "The Cement Garden," a group of children, orphans and bury their mother in the basement. And in "The Child in Time," a man's 3-year-old daughter is kidnapped during a trip to the supermarket.

In the case of "Amsterdam," two old friends — one a famous composer named Clive, the other a mercenary newspaper editor named Vernon — enter into a strange, enigmatic pact that will determine both their fates and send shock waves through their privileged world.

Now in their middle years, Clive Linley and Vernon Haliday have both achieved prosperity and influence. How lucky they were, Clive thinks, to have been "nurtured in the postwar settlement with the state's own milk and juice, and then sustained by their parents' tentative, innocent prosperity, to come of age in full employment, new universities, bright paperback books,

the Augustan age of rock and roll, affordable ideals."

Clive, who regards himself as Vaughan Williams' heir, has been commissioned by the government to "write a Millennial Symphony"; in his more optimistic moments, he dares to think of himself as a genius, an artist worthy of comparison to Shakespeare.

Vernon, who has become

editor of a tabloid paper by default, is decidedly less confident: There are moments alone in his office, when he wonders whether he even exists. All the exchanges in which he had decided, prioritized, delegated, chosen or offered an opinion" made him feel he was "indefinitely diluted: he was simply the sum of all the people who had listened to him and when he was alone, he was nothing at all."

Back in their impoverished, bohemian youth, Clive and Vernon had been lovers of a "restaurant critic, gorging wit and photographer" named Molly, a daring, glamorous woman who also had an affair with Julian Garmory, a conservative, xenophobe who would go on to become Britain's foreign secretary.

Molly would eventually marry a rich, stuffy publisher named George Lane, who detests (and is unzumously detested) by her former lovers.

When illness leaves Molly delirious and incompetent, George seizes control of her life, forbidding her old friends to visit her sickbed.

In the aftermath of her funeral, Clive and Vernon not only commiserate over her death but also make a pact with each other to avoid ever suffering such an undignified end: Should one of them become as sick and incoherent as Molly, the other will help him finish things off.

Writing in his usual spare, evocative prose, McEwan deftly conjures up the glittering world Clive and Vernon inhabit, and he also does a nimble job of depicting them at work, showing us how Vernon is trying to boost his paper's failing circulation with tawdry, tasteless stories, how Clive is trying to create an ending for his symphony commensurate with his ambition.

Though there's a faint satanic edge to McEwan's portraits, he uses his psychological insight, as he has done so often before, to create sympathy for some decidedly unsavory people. Indeed, we find ourselves rooting for Clive and Vernon, even as it becomes clear that both of them are conniving opportunists, willing to use virtually any means necessary to achieve their ends.

Within days of each other, Clive and Vernon are both faced with moral dilemmas that will test just what sort of people they are.

For all the appeals to high-flown principles like art and freedom that Clive and Vernon make in coming to their decisions, their problems do not really open out into the sort of weighty philosophical debates that animated "Black Dogs" and "Enduring Love." Nor, given the predictable outcome of the story, is there the sort of grisly narrative tension that made "The Innocent" so suspenseful to read.

Instead, there are the simple pleasures of reading a writer in complete command of his craft, a writer who has managed to toss off this minor entertainment with such authority and aplomb that it has won him the recognition he has so long deserved.

New York Times Service

BEST SELLERS

| The New York Times | | |
|---|-----------|--------------|
| The 20 best-sellers from more than 2,000 books offered by the United States. Works on the list are not necessarily consecutive. | | |
| FICTION | Last Week | Week to Date |
| 1. <i>AMAN IN FULL</i> , by Tom Wolfe | 1 | 4 |
| 2. <i>THE SIMPLE TRUTH</i> , by David Baldacci | 7 | 2 |
| 3. <i>MIRROR IMAGE</i> , by Jennifer Stockett | 2 | 3 |
| 4. <i>THE WIND BLOWS</i> , by Lorna Paterson | 8 | 5 |
| 5. <i>BAG OF BONES</i> , by Stephen King | 4 | 10 |
| 6. <i>ALONE THROUGH THE NIGHT</i> , by May Higgins Clark | 5 | 7 |
| 7. <i>RAINBOW SIX</i> , by Tom Clancy | 8 | 17 |
| 8. <i>THE PUFFINWOOD BIBLE</i> , by Barbara Kingsolver | 6 | 7 |
| 9. <i>THE LOST LAKESIDE</i> , by Jane Ray | 9 | 2 |
| 10. <i>THE PATH OF DAEDALUS</i> , by Robert Jordan | 10 | 6 |
| 11. <i>MEMORIES OF A GEISHA</i> , by Amy Tan | 1 | 55 |
| 12. <i>THE TOWER OF SILAT</i> AND OTHER MOODS THAT MAKE MY DAY, by Jamie Lee Curtis | 12 | 6 |
| 13. <i>THE JACKET</i> , by Richard Paul Evans | 14 | 7 |
| 14. <i>NIGHT WHISPERS</i> , by Judith McNaught | 1 | 1 |
| 15. <i>WELCOME TO THE WORLD, BABY GIRL</i> , by Farrah Gray | 13 | 10 |
| NONFICTION | | |
| 1. <i>TUESDAYS WITH MORRIE</i> , by Mitch Albom | 1</td | |



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INTERNATIONAL

Rejecting U.S. Proposal, India Says It Will Keep Nuclear Arms Program

By Kenneth J. Cooper
Washington Post Service

NEW DELHI — Prime Minister Atal Bihari Vajpayee on Tuesday rejected three voluntary restraints on strategic weapons systems proposed by the United States, declaring that his coalition government will maintain the deployment of nuclear weapons, continue development of ballistic missiles and reserve the right to produce more bomb-grade material.

Mr. Vajpayee responded more favorably to two other restraints that the United States has urged in parallel talks with India and Pakistan since the regional rivals conducted tit-for-tat nuclear tests in May. The prime minister repeated his promise, first made at the United Nations three months ago, that India would embrace a global ban on nuclear tests before next September and

also announced that his government was already moving to tighten controls to prevent the export of technologies that could be used to make weapons of mass destruction.

Never before had Mr. Vajpayee stated in public that India has already deployed nuclear weapons, which his government has repeatedly said would not be used for a first strike.

"Our decision is to maintain the deployment of a deterrent which is both minimum and credible" and "ensure survivability and the capacity of an adequate response" in the event of a nuclear attack, the prime minister said.

A senior Indian official said that his "deployment" Mr. Vajpayee had not meant a level of military preparedness to respond to a nuclear attack within minutes, such as the United States maintains. With India's short-range Prithvi, a battlefield missile ready for nuclear

dispersement in ordnance depots under civilian control, the official suggested it would take days for India to ready a nuclear missile attack — surely long enough for Pakistan to detect preparations and initiate diplomatic exchanges.

Mr. Vajpayee's speech to Parliament was prompted by domestic criticism that his government had not disclosed India's position in talks between Foreign Minister Jaswant Singh and the U.S. deputy secretary of state, Strobe Talbot, but his statement of nuclear policy may find a more attentive audience abroad.

With lawmakers in India absorbed in fights over opening the insurance market to foreign investment and reserving a third of legislative seats for women, reaction in the less-than-packed lower house was subdued and rose to despondency only twice — when Mr. Vajpayee asserted his government "will not

accept any restraints" on missile deployment and when he concluded.

In his separate talks with India and neighboring Pakistan, Mr. Talbot has pressed the regional rivals to "disavow nuclear weapons," limit the development of ballistic missiles and immediately stop producing fissile material for nuclear bombs.

While both countries have announced a voluntary moratorium on further tests, Mr. Talbot has urged each to sign and ratify the global Comprehensive Test Ban Treaty, which Mr. Vajpayee and Prime Minister Nawaz Sharif of Pakistan have expressed a willingness to do. Both India and Pakistan have also been generally receptive to another proposal that they adopt internationally accepted controls to block export of technologies related to nuclear, chemical and biological weapons, according to a U.S. official involved in those discussions.

Mr. Vajpayee indicated he was assessing India's sovereign rights in rejecting the U.S.-proposed restraints on deployment, missile development and production of bombing material.

His government regards such strategic defense decisions as "not subjects for negotiations" and would not discuss with other nations how many nuclear weapons and what delivery systems would amount to the credible minimum deterrent India seeks, he said.

"India will define its own requirements for its nuclear deterrent on its own assessment of the security environment," he said, adding that a recently established National Security Council would help formulate nuclear doctrine.

The Defense Ministry, which controls the depots where the Prithvi are stored, is run by civilian bureaucrats and would transfer the missiles to the military upon orders from elected political lead-

ers, the senior Indian official said.

A redesign has been ordered of India's other ballistic missile, the Agni, to extend its intermediate range. Mr. Vajpayee said that flight testing of an enhanced-range Agni would proceed and that his government "remains unequivocally opposed to any suggestions that seek to place India at a technological disadvantage."

The prime minister repeated that India was willing to join international negotiations on a Fissile Material Cutoff Treaty, but would not agree to cease producing bomb-grade material until a "nondiscriminatory" treaty has been finalized.

"It was suggested to us that we might examine announcing a moratorium on fissile material production," Mr. Vajpayee said. "We have conveyed that it is not possible to take such steps at this stage."

UN Chief Rejects U.S. Stance on Iraq

Demand for Saddam's Overthrow Goes Too Far, Annan Says

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Secretary-General Kofi Annan has distanced himself from the Clinton administration's policy on Iraq, saying American calls for the overthrow of President Saddam Hussein go beyond a Security Council resolution on what is demanded of Iraq and run contrary to the opinion of other UN members.

"The council resolution doesn't talk about getting rid of the leadership," Mr. Annan said Monday, referring to the 1991 cease-fire agreement that laid down the conditions for lifting sanctions imposed on Iraq after its invasion of Kuwait in August 1990.

In recent speeches, most clearly in one last week by the U.S. national security adviser, Sandy Berger, Clinton administration officials have offered the Iraqis a quick end to sanctions in return for a change in their leadership.

Mr. Annan's remarks about differences with the United States were made against a backdrop of worsening relations between the United States and the United Nations. Issues include Washington's refusal to pay more than \$1 billion in overdue UN assessments and the administration's efforts to enhance the role of NATO while paying what diplomats here see as only lip service to the importance of the UN to American policies.

On Friday Mr. Annan met with four

influential members of Congress and was left with the impression, he said, that a new House and Senate would have to take up outstanding issues anew next year, and that there was no progress in sight.

The secretary-general said Monday the UN Security Council had identified ways to lift sanctions. Once Richard Butler, the chief arms inspector, decides that Iraq has met the disarmament qualifications laid down in the critical 1991 resolution, he said, there should be no excuses for keeping sanctions — in particular, an oil embargo — in place.

The United States has said it will argue against lifting the embargo until Saddam Hussein also meets other demands, including accounting for Kuwaiti prisoners and improving Iraq's human rights record.

"Let's assume that tomorrow, or six months from now, Butler were to say, 'We've disarmed; we're moving on to monitoring,'" Mr. Annan said. "The council will have to act, and then it creates a very serious situation. What will the U.S. do with its veto? What will the other 14 members do? And how does the world react?"

At a news conference earlier in the day, Mr. Annan said that "there are areas where Washington's policies diverge from that of the UN." He added: "I think one case in point is that of Iraq, where the council has made it clear that we should disarm Iraq. And the moment we get the indication from the inspectors, from Butler, that Iraq has been

disarmed, sanctions will be lifted. American policy goes beyond that."

At his news conference, Mr. Annan also indicated that an early comprehensive review of Iraq's relations with the United Nations should take place no matter what kind of a report Mr. Butler submits in the next few days on Baghdad's cooperation with inspections — or lack of it — over the last three weeks.

The report is expected to go to Mr. Annan by Tuesday.

The United States and Britain have said there should not be a review until Iraq cooperates, although both countries appear to accept that a review is inevitable and Clinton administration officials have not told diplomats here how hard they will fight to postpone it.

"I'm not sure that the comprehensive review is something that Iraq deserves or does not deserve," Mr. Annan said at his news conference. "I think the council itself would want to know, after eight years of sanctions, where it stands."

■ Weapons Inspections Cut Back

UN weapons inspectors cut back their activities in Iraq on Tuesday, and only a few monitors were seen leaving their headquarters in Baghdad to inspect Iraqi sites, Reuters reported from Baghdad, quoting witnesses.

Two cars from the UN Special Commission, accompanied by Iraqi escorts, were seen heading to Iraqi sites. Commission officials in Baghdad were not available Tuesday for comment.



An Iraqi soldier warming up early Tuesday outside the UN's Baghdad headquarters. The chief UN arms inspector, Richard Butler, will issue a report card on Iraqi compliance on arms inspections in the coming days.

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ASEAN: Amid Economic Crisis, Region Fears a Loss of Influence

Continued from Page 1

before," he said. "They believe that ASEAN has been exposed as ineffective."

The association is made up of Brunei, Burma, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Mr. Goh said ASEAN needed the combined weight of its 500 million population to exercise international influence and compete as an economic entity against other regional economic blocs like Mercosur in South America, the European Union and the North American Free Trade Area.

Officials said they hoped that new measures to be formally approved by the summit meeting before it concludes Wednesday would help convince skeptics that the association remains one of the most effective regional groupings.

They said that the measures would give a major boost to trade and investment liberalization in the region, and accelerate economic integration.

Some bankers and business executives are skeptical that the association will be able to implement the needed market opening measures because its members differ in their diagnosis of the reforms required.

Many of the ASEAN leaders who spoke Tuesday acknowledged the need to revamp their economies and institutions to make them more open and competitive.

But Prime Minister Mahathir bin Mohamad of Malaysia, whose government imposed currency and stock trading controls in September, said "predatory" speculators and a defective international financial system were to blame for the crisis, impoverishing Malaysia and leading to the near-collapse of the country's banks and corporations.

Mr. Mahathir said that by insulating its economy from speculators, Malaysia was able to implement measures to revive growth. "Until the international community agrees on an international regime that will remove the kind of dangers we have been exposed to," he added, "we will

have to continue with our controls."

Reflecting the concerns of the association's newer and less developed members, Prime Minister Phap Van Khai of Vietnam said that rapid economic globalization was "bringing about greater market access and new partners for development — but also putting the weaker economies in a more vulnerable and disadvantageous position, and in an uneven competition."

ASEAN's political unity was also under renewed stress Tuesday over how to interpret compromise wording on the timing of Cambodia's admission as the 10th member of the group.

The compromise was patched together by the heads of government late Monday after some members, led by Vietnam, Indonesia and Malaysia, sought immediate entry for the Cambodian coalition government so it could take part in the summit meeting. Others, including Singapore, the Philippines and Thailand, counseled a delay to ensure that the recently re-formed coalition led by Prime Minister Hun Sen was durable.

EXCHANGE: Call for New Regime

Continued from Page 1

and Eastern Europe and should accompany capital controls as part of a new approach in global economics, he said.

He said such a facility would be different from what the IMF now offers, because it "would not require pre-agreed arrangements, but would have itself primarily on good track records certified through regular surveillance."

Commenting on conditions the Fund attached to massive bail-out programs for Thailand, South Korea and Indonesia, Mr. Miyazawa said, "it might be advisable for the IMF to refrain from requiring too broad or too ambitious structural reforms at a time of crisis."

Japan plans to set up a \$30 billion fund for loans to its Asian neighbors. A previous plan was criticized by the United States as running at cross purposes to the IMF. Mr. Miyazawa said Japan's latest push to set up a fund would lead to further discussion of a regional currency support mechanism.

But analysts said Japan was in no position to guide such a regional fund until it cures its own economic ills. The country's economy is deeply mired in recession and the Bank of Japan's key quarterly tankan survey of corporate sentiment released on Monday continued to show a deteriorating business sentiment.

"It may take at least two years until I can decide if we are at a sustainable growth basis or not," Mr. Miyazawa said. But he said the economy had bottomed.

"I interpret yesterday's tankan as indicating the situation will not get worse," Mr. Miyazawa said. "I don't think things will get better immediately."

He said that rising unemployment was "my main concern for the coming year."



Mr. Miyazawa on Tuesday, when he urged "an exchange-rate regime."

■ Tokyo Store Sales Decline

Tokyo department store sales fell 2.8 percent in November from a year earlier, the 19th decline in the past 20 months, as concerns about the economy led consumers to spend less, Bloomberg News reported from Tokyo.

Sales at department stores in the greater Tokyo metropolitan area — where almost one-quarter of all Japanese live — fell to 202.3 billion yen (\$1.73 billion), the Japan Department Store Association said. In October, sales fell 6.7 percent.

Consumers are spending less money as companies cut wages and hire fewer workers.

Manila Offers Truce Over the Holidays So Rebels Can Visit Kin

The Associated Press

MANILA — The Philippine government on Tuesday ordered a Christmas season cease-fire to allow Communist rebels to spend the holiday season with their families.

Defense Secretary Orlando Mercado said the cease-fire would take effect Tuesday, the start of the country's traditional Christmas celebrations and would last until Jan. 20.

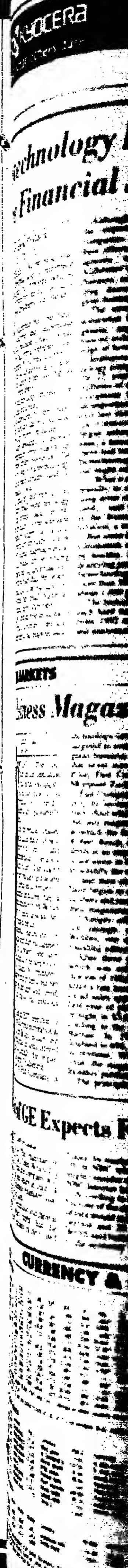
Mr. Mercado said the truce would allow guerrillas to come down from their mountain hideouts and join their families without fear of being arrested by government forces, "provided they do not carry weapons, explosives or ammunition."

"This is unilateral on the part of the government in the spirit of Christmas," the defense secretary said.

Mr. Mercado added that the order did not cover normal law enforcement and security functions and the defense of government installations against rebel attacks.

The New People's Army, the military arm of the Communist Party of the Philippines, customarily announces its own holiday cease-fire usually Dec. 24-25 and Dec. 31-Jan. 1.

Mr. Mercado said that there was no need to declare a separate holiday truce with the Moro Islamic Liberation Front because an earlier cease-fire declared by the Muslim group remained in place.



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INTERNATIONAL Herald Tribune

BUSINESS/FINANCE

WEDNESDAY, DECEMBER 16, 1998

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PAGE 15

Biotechnology Firms Face Financial Strain

By Andrew Pollack
New York Times Service

LOS ANGELES — At the American College of Rheumatology conference last year, Amgen Inc. reported what it described as promising results in early tests of its new treatment for rheumatoid arthritis.

But by the conference this year, held last month, Amgen had suspended work on the drug because it had run out of money. The California company dismissed 65 percent of its employees in October and is now scrambling to raise enough cash to keep from having to close its doors completely.

The U.S. biotechnology industry is facing a financial reckoning.

Investors, disappointed by the financial returns the industry has provided so far, are growing more reluctant to provide the huge amounts of money that young companies need to develop test and sell new drugs. Some say the entire system by which biotechnology companies have been created and financed is breaking down.

The result, analysts and executives say, is that many small biotechnology companies are cutting back on research. Some are failing by the wayside or being acquired by bigger companies.

Some executives warn that the death of capital could also slow medical innovation, because the small biotechnology companies have often been pioneers, playing a crucial role in quickly moving scientific discoveries from university laboratories to the marketplace.

Although it is too early to say what the impact will be, biotechnology companies need to spend heavily in their efforts to develop drugs and diagnostic tests for cancer, AIDS, Alzheimer's and a wide range of other diseases, as well as to develop basic drug discovery techniques such as gene-hunting and chemical screening.

The term "biotechnology," while somewhat loosely defined, refers to genetic engineering and other advanced techniques that employ knowledge of how cells operate.

Immunex Corp., a Seattle biotechnology company, struggled with losses for 17 years and spent hundreds of millions of dollars on research and development before finally introducing a new drug for rheumatoid arthritis last month. The story is the same for Centocor Inc., which this year began selling a drug for Crohn's disease, a bowel inflammation for which there had been no good treatment. But biotechnology companies just starting out might not get the same chance.

"What it means, unfortunately, even brutally in some cases, is that promising areas of research will not be pursued," said Carl Feldbaum, president of the Biotechnology Industry Organization, a trade group.

But some industry executives say the elimination of weaker companies will be healthy, freeing money for more deserving projects. There are too many biotechnology companies, they say — more than 300 publicly traded ones and about 1,000 private ones.

The biotechnology industry has seen such hard times before, most recently from 1992 to 1994. Some executives and analysts maintain that is just another



A researcher checking results of cystic fibrosis tests at the University of Pennsylvania's Molecular Biology Lab. Biotechnology companies play a role in moving such scientific discoveries to the marketplace.

cyclical downturn, tied to the overall volatility in the stock market this year.

But others say investors may have permanently soured on financing startup biotechnology companies.

It is not that the technology has failed. Ten drugs developed by biotechnology companies were approved or recommended for approval in the third quarter of this year, and more than 280 drugs are in middle or late-stage clinical trials.

Also, the unmasking of the genetic code presents a cascade of opportunities.

The problem is the long times and huge sums required to develop these drugs. To get money, companies must sell shares to the public years before they have products or profits. The stock price can languish while the company conducts clinical trials.

Investors have pumped an estimated \$90 billion into public biotechnology companies since 1980, according to

Vector Securities International, an investment bank specializing in health care. Yet overall, the investment has not paid off, with biotechnology stocks rising in only 7 of 16 years, according to Vector.

Recombinant Capital, a San Francisco consulting firm, calculated back in 1995 that an investor who put \$100 into every biotechnology initial public stock offering since 1980 would have earned a return of only 1 percent a year.

So investors, who once plunged into biotechnology with the same abandon now reserved for Internet stocks, have become less willing to invest on a promise.

More than 50 of the 345 publicly-traded biotechnology companies tracked by Vector Securities will run out of cash within a year if they continue spending at their current rates and are unable to raise new money.

Deal Close on Forming Europe Satellite Giant

By Tom Buerkle
International Herald Tribune

man for DaimlerChrysler Aerospace. Other executives said a deal could be signed as early as Wednesday.

"A signing is imminent," said Jean-Pierre Iouli, a spokesman for Lagardere. He declined to provide details, saying, "When the accord has been signed among the four partners we will have something to say."

The companies have been active players in efforts to consolidate the European aerospace and defense industries. DaimlerChrysler Aerospace has made progress in recent weeks toward negotiating a merger with British Aerospace PLC, and GEC has reportedly been talking with both companies while also holding out the possibility of a deal with U.S. defense companies.

Progress toward an agreement came amid an intensification of negotiations in recent months aimed at consolidating Europe's aerospace and defense industries. Finmeccanica agreed this week to merge its Agusta helicopter subsidiary with the Westland Helicopter unit of GKN PLC of Britain.

The impending space deal does not appear to have any direct implications for a broader restructuring of the European defense industry, which has become hung up on the issue of state ownership.

DaimlerChrysler Aerospace and British Aerospace have rejected a three-way defense merger with Aerospatiale as long as the French government holds a controlling stake in the company.

Internet Music Plan Awaited

Compiled by Our Staff From Dispatches

NEW YORK — Top executives at the world's five largest recording companies were set to announce an initiative Tuesday that seeks to create a secure method to sell music over the Internet while also combating on-line piracy.

Chief executives of BMG Entertainment, EMI Recorded Music, Sony Music Entertainment, Universal Music Group and Warner Music Group were to attend a news conference here to announce "a precedent-setting initiative to address new digital music opportunities."

The new Secure Digital Music Initiative would create a rival to MP3, the high-quality format currently used to compress, store and distribute audio files, a recording industry source said.

The move comes amid rising industry concerns that copyrighted audio ma-

terials are being posted illegally on the Internet.

Personal Web sites offering MP3 songs for free have sprung up on-line, causing headaches for the Recording Industry Association of America, which works to protect artist rights and royalties.

By creating a rival to MP3, the music industry hopes to feed a growing consumer demand for on-line music while protecting against bootlegging and on-line piracy.

The record companies are seeking out technology companies to develop the format. Among the companies they are courting are AT&T Corp., Lucent Technologies Inc., International Business Machines Corp., and Microsoft Corp., a technology industry source said.

(AP, Bloomberg)

MEDIA MARKETS

A Business Magazine With a Mission

By Alex Kuczynski
New York Times Service

NEW ORLEANS — The conference room in the Sheraton New Orleans hotel was silent save for the slow-shoo-shoo deep-breathing sounds coming from the 80 men and women in name tags silently circling the room.

After a minute, the seminar leader held up her hand to hush the minute crowd. "Now, strike the pose of a hero," she instructed. "Strike the statue of the gods and goddesses that you are!" She asked the group to cry out words they felt when they thought of themselves as heroes.

There was palpable hesitation, then a human-resources executive from Wells Fargo, a string of pearls around her neck, lifted her arms in the air.

"I am a thunderbolt!" she shouted. A man in a Hawaiian-print shirt exclaimed "Hallelujah!" as he posed, one arm extended behind him as if he were preparing to toss a discus. A computer-company executive in high heels and hands defiantly on her hips and cried, hesitantly: "You, you — you fabulous goddesses you!"

If it sounds like an EST seminar or some sort of Tony Robbins inspirational jamboree, it was not. It was, in fact, one of several instructional sessions offered at a conference — actually, the organizers prefer the term "gathering" — held this month by Fast Company, a

technology-oriented business magazine targeted to young entrepreneurs. A feel-good business bible for the generation that never leaves home without a Palm Pilot, Fast Company is published by McGraw-Hill Zuckerman.

Fast Company attracted 400 people to its second "Real Time" conference. And while Fast Company may be the only magazine to hold a conference at which the former secretary of labor, Robert Reich, led an audience of hundreds in an impromptu kizomba concert, it is not alone in its mission. In an attempt to solidify the relationship with readers — and their checkbooks — publishers have begun to organize events for subscribers and readers beyond the pages of their magazines.

Simply selling a magazine is just not enough anymore," said Alan Webber, one of Fast Company's two founding editors.

After three years, the magazine — which was introduced with the publication of 100,000 copies — will guarantee a rate base of 305,000 in January. Its ad sales appear robust. In 1996, the first year of publication, 394 ad pages brought in \$3,031,280 in revenue, according to the Publishers Information Bureau. In 1997, ad pages almost doubled to 696, resulting in \$7,095,578 in revenue. With this year's August issue, the magazine switched from bi-monthly publication to monthly.

The principle of bringing readers in

other than through the pages of the magazine is also at work at other media companies. Jay MacDonald, chief executive of MacDonald Communications, a New York media company that owns Working Woman and Working Mother magazines, has founded four annual conferences — not only as an instrument with which to extend the brand identities of his two magazines, but as profit-making ventures — in the last two years.

Forbes magazine founded the Forbes Management Conference Group in 1995. McGraw-Hill's Business Week plays host to eight to 12 conferences a year. And Time Warner's Fortune employs a staff of 20 simply for its conference activity.

Mr. Webber of Fast Company is a trim 50-year-old who, along with William Taylor, grew tired of his work as an editor at The Harvard Business Review four years ago. Together, they created a 103-page prototype and sold a majority stake in the business to Mr. Zuckerman. Fast Company is not your parents' business magazine. It styles itself as a guidebook for the ambitious yet sensitive young businessperson facing a swiftly changing and increasingly unfriendly economy. The magazine's goal: to encourage readers to think in contrarian terms about the business world, with stories like "Money! Power! Fame! (And Other Ways to Self-Destroy!)" and "Green is Good," an article about ecological mindfulness in the corporate world.

Head of GE Expects Firm's Earnings to Grow

Compiled by Our Staff From Dispatches

NEW YORK — The chairman of General Electric Co., John Welch Jr., has told analysts that the company will increase earnings per share at least 14 percent in 1999, meeting estimates, analysts who attended said.

They said Mr. Welch also told them at a meeting Monday night that the second-biggest company in the United

States, by market value, would not spin off its NBC television network. But it might consider spinning off some of the NBC Internet businesses, they said.

According to the analysts, he said all four of the company's 11 main businesses would increase profit between 15 percent and 20 percent in 1999. Mr. Welch said businesses tied more closely to the economy with product sales, in

cluding lighting, plastics, NBC and appliances, were likely to grow less than 15 percent, according to Nicholas Heymann, a Prudential Securities analyst.

GE Capital Corp. said Monday that it planned to sell nearly half of its Visa and MasterCard portfolio to First USA Bank, then set up a joint venture with the bank to sell private-label credit cards.

(Bloomberg, AP)

CURRENCY & INTEREST RATES

| Interest Rates | Dec. 15 | LIBID-LIBOR Rates | Dec. 15 |
|--------------------|---------|----------------------|--------------|
| Australia | 3.1% | LIBID: 5.00% | LIBOR: 5.00% |
| Brussels | 3.2% | LIBID: 5.25% | LIBOR: 5.25% |
| Frankfurt | 1.0% | LIBID: 5.00% | LIBOR: 5.00% |
| London | 0.5% | LIBID: 5.00% | LIBOR: 5.00% |
| Madrid | 3.2% | LIBID: 5.00% | LIBOR: 5.00% |
| Paris | 3.2% | LIBID: 5.00% | LIBOR: 5.00% |
| Stockholm | 3.2% | LIBID: 5.00% | LIBOR: 5.00% |
| Tokyo | 3.2% | LIBID: 5.00% | LIBOR: 5.00% |
| Vienna | 3.2% | LIBID: 5.00% | LIBOR: 5.00% |
| Winnipeg | 3.2% | LIBID: 5.00% | LIBOR: 5.00% |
| Other Dollar Rates | | | |
| Argentina | 3.79% | Central bank: 12.00% | 3.79% |
| Australia | 3.48% | Central bank: 12.00% | 3.48% |
| Brussels | 3.2% | Central bank: 12.00% | 3.2% |
| Frankfurt | 1.0% | Central bank: 12.00% | 1.0% |
| London | 0.5% | Central bank: 12.00% | 0.5% |
| Madrid | 3.2% | Central bank: 12.00% | 3.2% |
| Paris | 3.2% | Central bank: 12.00% | 3.2% |
| Stockholm | 3.2% | Central bank: 12.00% | 3.2% |
| Tokyo | 3.2% | Central bank: 12.00% | 3.2% |
| Vienna | 3.2% | Central bank: 12.00% | 3.2% |
| Winnipeg | 3.2% | Central bank: 12.00% | 3.2% |
| Forward Rates | | | |
| Argentina | 3.79% | Central bank: 12.00% | 3.79% |
| Australia | 3.48% | Central bank: 12.00% | 3.48% |
| Brussels | 3.2% | Central bank: 12.00% | 3.2% |
| Frankfurt | 1.0% | Central bank: 12.00% | 1.0% |
| London | 0.5% | Central bank: 12.00% | 0.5% |
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| Paris | 3.2% | Central bank: 12.00% | 3.2% |
| Stockholm | 3.2% | Central bank: 12.00% | 3.2% |
| Tokyo | 3.2% | Central bank: 12.00% | 3.2% |
| Vienna | 3.2% | Central bank: 12.00% | 3.2% |
| Winnipeg | 3.2% | Central bank: 12.00% | 3.2% |
| Other Currencies | | | |
| Argentina | 3.79% | Central bank: 12.00% | 3.79% |
| Australia | 3.48% | Central bank: 12.00% | 3.48% |
| Brussels | 3.2% | Central bank: 12.00% | 3.2% |
| Frankfurt | 1.0% | Central bank: 12.00% | 1.0% |
| London | 0.5% | Central bank: 12.00% | 0.5% |
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| Paris | 3.2% | Central bank: 12.00% | 3.2% |
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| Tokyo | 3.2% | Central bank: 12.00% | 3.2% |
| Vienna | 3.2% | Central bank: 12.00% | 3.2% |
| Winnipeg | 3.2% | Central bank: 12.00% | 3.2% |
| Other Currencies | | | |
| Argentina | 3.79% | Central bank: 12.00% | 3.79% |
| Australia | 3.48% | Central bank: 12.00% | 3.48% |
| Brussels | 3.2% | Central bank: 12.00% | 3.2% |
| Frankfurt | 1.0% | Central bank: 12.00% | 1.0% |
| London | 0.5% | Central bank: 12.00% | 0.5% |
| Madrid | 3.2% | Central bank: 12.00% | 3.2% |
| Paris | 3.2% | Central bank: 12.00% | 3.2% |
| Stockholm | 3.2% | Central bank: 12.00% | |

Emap to Buy Publisher of Motor Trend

Compiled by Our Staff From Dispatches

LONDON — Emap PLC, a major British publisher of consumer magazines, said Tuesday it would buy The Petersen Companies Inc., the U.S. publisher of magazines such as Motor Trend, Hot Rod, Guns & Ammo and Teen, for about \$1.2 billion.

Emap will offer \$34 per Petersen share, and plans to finance the deal partly from raising \$359 million (\$607.9 million) by issuing one new share for every five existing Emap shares.

The deal combines two companies with strong, male-oriented magazines. It gives Emap, publisher of FHM, or For Him Magazine, the biggest-selling monthly men's magazine in Britain, a U.S. database of 16 million men with a demographic profile that suits its titles.

The acquisition makes "sense from both perspectives," said Michael Beebe, an analyst at Goldman, Sachs & Co. in New York. "Petersen has very little international exposure. Emap would gain exposure in the U.S."

On Tuesday, Emap shares fell 88 pence to £9.62 after having fallen 7 percent on Monday. Shares in Peterson rose \$2.19 to \$33.50 in early trading Tuesday after they surged 33 percent on the confirmation Monday.

The Petersen division will be called Emap Petersen. David Grigson, finance director at Emap, said the acquisition could be the perfect platform for introducing FHM in the United States.

The chief executive of Emap, Kevin Hand, who took over in July to spearhead the company's global expansion, said the Petersen deal should put Emap well on its way toward achieving his goal of doubling profits over the next five years.

"In the fullness of time, say in three or four years, Peterco could contribute up to 50 percent or more of Emap's profits — it's that big a deal," he said.

Emap also publishes consumer magazines, including special-interest and youth titles such as Just 17 and Smash Hits, and versions of FHM in Australia and Southeast Asia. (Bloomberg, Reuters)

New Round of Cuts for Euro Zone?

Interest Rates Should Be 'as Low as Possible,' Duisenberg Says

Compiled by Our Staff From Dispatches

HAMBURG — The president of the European Central Bank, Wim Duisenberg, has declined to rule out further reductions in interest rates if prices remain stable, but has warned that euro zone governments were scarcely cutting public deficits.

In an interview to be published Thursday in the German weekly *Die Zeit*, Mr. Duisenberg said that although interest rates were currently at historically low levels, if price stability were attained, "we must try to get interest rates as low as possible."

The central banks for the 11 countries adopting a single currency cut their benchmark interest rates Dec. 3 in preparation for the introduction of the euro. All cut their rates to 3 percent except Italy, which reduced its main rate to 3.5 percent. The European Central Bank is expected to set 3 percent as its benchmark rate when it takes over monetary policy Jan. 1.

Mr. Duisenberg said that keeping interest rates low was "the maximum contribution" monetary policy could make to growth, but he added that the margins for maneuvering were "very narrow."

"Monetary policy can't do a lot more," he said. "Interest rates are at a historical low and have only a

limited effect on investment anyway. It is up to others to improve the conditions for growth and employment so that more is invested."

Mr. Duisenberg is among central bankers in Europe who have said that lasting growth depends on steps to control government spending, reduce the tax burden on business and make it easier to hire and fire workers.

A member of the Bundesbank council, Franz-Christoph Zeitzer, told *Die Zeit* in an interview that "monetary policy is no substitute for structural reform."

Mr. Duisenberg said: "There's agreement among the central banks that governments, employers and employees must now guarantee more flexible labor markets."

Budget deficits in euro countries are "one of our greatest concerns at the moment," Mr. Duisenberg said. While deficits in the euro zone shrank up to 0.4 percent in 1998, they will decrease 0.1 percent next year, he said.

The goal of balanced budgets "disappears more and more from the horizon," Mr. Duisenberg warned. Balanced budgets are necessary during "phases of weaker growth," he said. (AFP, Bloomberg)

EU Approves Of a Delay in Banana Feud

Compiled by Our Staff From Dispatches

BRUSSELS — The European Union trade commissioner, Sir Leon Brittan, said Tuesday he would welcome a U.S. decision to delay until Monday the release of a list of EU imports on which Washington might impose 100 percent tariffs to protest EU banana-import rules.

The office of the U.S. Trade Representative said late Monday it needed more time to study the proposed sanctions and would not release the list until after President Bill Clinton concluded a U.S.-EU summit meeting Friday on trade and security issues. Announcing tariffs on the eve of the meeting with the president of the EU, Jacques Santer, and other EU leaders would be inappropriate, the office said.

Up to \$1.5 billion in EU exports from wine, cheese and specialty foods to home appliances, luxury goods and paper products, may be hit with punitive tariffs on Feb. 1 unless the EU scraps rules that Washington views as biased against bananas grown in Latin America by Dole Food Co. of California and Chiquita Brands International of Ohio.

The EU is protesting a sanctions threat it considers a challenge to the World Trade Organization's system for defusing trade disputes.

The EU's envoy to the United States did not view the delay as a gesture of goodwill. "It's got nothing to do with any generosity on the part," said Hugo Paerens, the EU's chief delegate in Washington. He said he suspected U.S. decision-makers "aren't ready yet."

Sir Leon called on the U.S. to start talks toward a new decision by the World Trade Organization, whose ruling this year yielded the changes in the EU's banana-import rules.

While the EU agreed to increase a quota on Latin American bananas by 353,000 tons a year to 2.55 million tons, those imports are subject to a duty of about \$88 a ton. Former European territories in Africa, the Caribbean and the Pacific are allowed to send 857,700 tons of bananas into the EU duty-free.

Chiquita said EU banana rules, which first took effect in 1992, had cut its market share in Europe from 50 to 20 percent and cost it \$1 billion in sales. (Bloomberg, AP, Reuters)

Russia Advances Plan to Restructure Debt

Compiled by Our Staff From Dispatches

MOSCOW — Prime Minister Yevgeny Primakov signed an order Tuesday outlining the restructuring terms of frozen ruble debt that would allow investors to swap deflated debt for new bonds and cash, local news agencies quoted government officials as saying.

The officials were quoted as saying the Finance Ministry would provide more details Wednesday and announce the start of restructuring of 281 billion rubles (\$13.98 billion) of deflated domestic debt.

Ministry officials said the swap

could begin after that, though trading in the new bonds might not begin before next year.

Under the proposed restructuring program, investors will get 10 percent in ruble cash, 20 percent in interest-free ruble bonds and 70 percent in ruble bonds with interest.

In all, creditors can expect to receive only a few cents on the dollar from their investment.

Many foreign bondholders have complained about restrictions on exchanging future ruble earnings for dollars and other aspects of the restructuring plan. Ministry officials

said they would pursue further talks with foreign investors, but only on technical issues that would not delay the launch of the swap.

Parveta Shitrova, an analyst at MFK Renaissance Bank in Moscow said the move to restructure the debt indicated the ministry "decided to cut the Gordian knot, saying there's been enough of this negotiation business, and just go ahead with this."

But Russia is expected to conduct talks with foreign bondholders Thursday in London about the terms for ruble conversion and repatriation. Foreign bondholders want more assurances on how they will be able to exchange rubles for dollars after the ruble fell almost 70 percent against the dollar since the mid-August default. They also have said terms of the new bonds were too vague to allow them to value the securities.

Credit Suisse First Boston, a member of the committee representing foreign holders of the defaulted debt, warned Russia last week that it would "aggravate its financial isolation if it unilaterally imposes unfair restructuring terms on foreign investors." (Bloomberg, Reuters)

Bollore Buys Stake in Cinema Operator

Compiled by Our Staff From Dispatches

PARIS — The French entrepreneur Vincent Bollore said Tuesday that he had bought more than 10 percent of Pathé SA, the largest operator of French movie theaters, two weeks after abandoning an attempt to take control of Bouygues SA.

Bollore said it had not been informed whether Mr. Bollore intended to increase his stake. Mr. Bol-

lore could not be reached for comment. A 10 percent stake in Pathé is worth about 1.06 billion French francs (\$191.4 million) at the closing share price Monday.

The purchase follows Mr. Bollore's Nov. 30 sale of his 12.6 percent stake in Bouygues, Europe's largest construction company, to the French investor Francois Pinault for 3,686 million. (Bloomberg, AFP)

WORLD STOCK MARKETS

Tuesday, Dec. 15

Daily Prices in Local Currencies

Amsterdam AEX Index: 1020.89 Previous: 1015.43

Frankfurt DAX: 4524.84 Previous: 4524.84

Johannesburg All Markets: 571.71 Previous: 571.65

Kuala Lumpur Composite Index: 543.79 Previous: 541.41

London FTSE 100: 5571.16 Previous: 5571.15

Madrid IBEX: 11,200.00 Previous: 11,199.00

Montreal Composite Index: 329.10 Previous: 328.90

Oslo Oslo Bors: 1,000.00 Previous: 999.00

Paris CAC-40: 3,023.00 Previous: 3,023.00

Stockholm OMX: 1,000.00 Previous: 999.00

Tel Aviv Tel Aviv: 1,000.00 Previous: 1,000.00

Tokyo Nikkei: 11,000.00 Previous: 10,999.00

Toronto TSX: 2,225.94 Previous: 2,225.94

Taipei Taiwan: 1,000.00 Previous: 999.00

Vienna ATX: 1,000.00 Previous: 999.00

Wellington NZSE: 1,000.00 Previous: 999.00

World Stock Markets 2,225.94 Previous: 2,224.95

Athens Composite Index: 512.53 Previous: 512.47

Commercial BA 2,200.00 Previous: 2,199.00

Erste Bank 2,618.00 Previous: 2,617.00

Generali 2,620.00 Previous: 2,619.00

Generali Life 2,620.00 Previous: 2,619.00

Generali Re 2,620.00 Previous: 2,619.00

Generali Reassurance 2,620.00 Previous: 2,619.00

Gener

ASIA/PACIFIC

Hyundai Electronics to Sell Overseas Assets

Compiled by Our Staff From Dispatches

SEOUL — The realignment of South Korea's industrial sector gathered steam Tuesday as one of the country's largest conglomerates announced plans to streamline through the sale of overseas assets.

Hyundai Electronics Industries Co. said it planned to raise as much as 2 trillion won (\$1.66 billion) next year by selling its overseas businesses, including U.S.-based Maxtor Corp. and Chip Pac Co.

Hyundai Electronics, one of South Korea's three largest electronics makers, will sell its stake in Maxtor during the first half of next year, according to Kim Young Hwan, its chief executive. Maxtor makes hard disk drives. The sale of

Chip Pac, a semiconductor maker, is expected to occur by January.

Such sales, plus share sales of its own, will help Hyundai cut the debt-to-equity ratio of its semiconductor business to 200 percent by the first quarter of next year. Hyundai's semiconductor business currently has 7.5 trillion won of assets and 5.3 trillion won of debt.

South Korea's debt-ridden conglomerates are under government pressure to trim back by concentrating on areas of strength and casting off peripheral activities through mergers, sales, spin-offs and liquidations. The moves are designed to help South Korea pull out of its worst recession since the end of the Korean War in 1953.

Mr. Kim also said Hyundai was making "every effort" to merge its semiconductor business with LG Group, even as hopes fade that the two companies will end months of bickering and form the world's largest maker of memory chips.

Also Tuesday, South Korea's steel monopoly, Pohang Iron & Steel Co., and Japan's Nippon Steel Corp. said they had forged an alliance aimed at fending off possible hostile takeover bids from rivals.

The South Korean company, known as Posco, said it would soon acquire a "symbolic" holding of stock in Nippon Steel in a friendly share swap. Nippon Steel said that it had acquired a 0.1 percent stake in Posco. (Bloomberg, AFP)

Meanwhile, South Korea's efforts at industrial reform won praise from the International Monetary Fund, which on Tuesday approved another \$1 billion credit for the country. The funds are part of a \$60 billion financial rescue package put together by the IMF a year ago.

"Korea continues to make commendable progress in its efforts to achieve economic recovery," said the IMF deputy managing director, Alassane Ouattara, after the Fund's executive board approved the \$1 billion credit. "The severe downturn in output has begun to moderate, and there are encouraging signs that the Korean economy will return to positive growth during the course of next year." (Bloomberg, AFP)

Yasuda Trust Loses 16% of Market Value

Agency France-Press

TOKYO — The troubled Yasuda Trust & Banking Co. crumbled on the Tokyo stock market Tuesday as the world's second largest economy cracked down on its struggling banks.

Yasuda Trust lost 16.8 percent of its market value Tuesday, closing at 89 yen (76 cents).

When the Japanese government took control of the debt-ridden Nippon Credit Bank Ltd. on Sunday it signaled a new, aggressive approach to tackling the bad-loan crisis that has ravaged its banks.

In the past, weak banks have been rescued by their larger rivals in a form of group protection known as the convoy system.

"The convoy philosophy is not here any longer," Finance Minister Kiichi Miyazawa said.

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Tuesday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Notinormwide prices not reflecting late trades elsewhere.
The Associated Press

12 Month Stock Div Yld PE 100s High Low/Lated Chgs

High Low Stock Div Yld PE 100s High Low/Lated Chgs

A-B-C

| 12 Month Stock | Div Yld | PE | 100s High | Low/Lated Chgs | 12 Month Stock | Div Yld | PE | 100s High | Low/Lated Chgs | 12 Month Stock | Div Yld | PE | 100s High | Low/Lated Chgs | | | | | | |
|----------------|---------|----|-----------|----------------|----------------|---------|--------------|-----------|----------------|----------------|---------|-----|-----------|----------------|-----|----|-----|-----|-----|-----|
| 299 17% AAF | 1.2 | 17 | 1077 | 226 | 270 | -1% | 441 15% AAF | 1.52 | 17 | 281 | 242 | 297 | -5% | 574 21% AAF | 1.2 | 17 | 240 | 200 | 260 | -5% |
| 249 25% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 442 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 575 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
| 245 24% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 443 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 576 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
| 115 7% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 444 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 577 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
| 100 7% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 445 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 578 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
| 115 7% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 446 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 579 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
| 115 7% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 447 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 580 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
| 115 7% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 448 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 581 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
| 115 7% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 449 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 582 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
| 115 7% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 450 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 583 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
| 115 7% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 451 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 584 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
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| 115 7% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 461 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 594 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
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| 115 7% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 468 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 601 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
| 115 7% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 469 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 602 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
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| 115 7% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 477 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 610 21% AAFM | 1.2 | 17 | 240 | 200 | 260 | -5% |
| 115 7% AAFM | 1.2 | 17 | 1724 | 254 | 254 | -1% | 478 17% AAFM | 1.2 | 17 | 281 | 242 | 297 | -5% | 6 | | | | | | |

NASDAQ

Tuesday's 4 P.M.

The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Tuesday's 4 P.M. Close
(Continued)

2 (Continued)

WORLD ROUNDUP



Glenn McGrath celebrating a wicket as Alec Stewart suffers.

Australia Wins Test

CRICKET England's hopes of regaining the Ashes, held by Australia since 1989, were obliterated Tuesday in Adelaide by another humiliating batting collapse.

England was all out for 237 in its second innings to lose the third test by 205 runs. It is 2-0 down with two matches to play.

Glenn McGrath, an Australian fast bowler, took four wickets for 11 runs as England lost five wickets in 29 minutes. Alec Stewart, England's captain, was not out 63.

Asked what he could say to the English fans, Stewart said: "First of all, I've got to apologize." (Reuters)

Asian Boycott On Hold

SOCCER Asian officials on Tuesday put on hold a threatened boycott of the 2002 World Cup and said that even if the boycott went ahead, the co-hosts, Japan and South Korea, would be allowed to play.

The Asian confederation's executive committee held an emergency meeting in Bangkok. Afterward it said the boycott would proceed unless FIFA, soccer's world governing body, expanded the number of Asian slots. Asia will have four teams in the 2002 finals, but two of them will be the hosts.

• Graham Kelly, the chief executive of the governing body of English soccer, resigned Tuesday. Kelly approved a promised loan of £2.2 million (\$5.39 million) to Welsh soccer's governing body, allegedly in exchange for votes for English candidates in elections to the executive committee of FIFA, which governs world soccer, and UEFA, its European equivalent.

The English Football Association's executive committee also passed a unanimous vote of no-confidence in its chairman, Keith Wissman, who agreed to the loan. He refused to resign. (AP, Reuters)

A Game Evolves With Its Country

Color Lines Fading, Soccer Strides Forward in South Africa

By Rob Hughes
International Herald Tribune

JOHANNESBURG — The swiftest way for a man to cover the ground is to obey nature, to run as instinct dictates. The most enduring manner of bringing change to a country and the way it lives, in sport or outside it, is to free the chains and let progress run its natural course.

So it is in Johannesburg as Nelson Mandela's five-year presidency nears its end. On a soccer field not far from where Mandela was taken from his Soweto home many moons ago, the Orlando Pirates on Saturday outwitted Witwatersrand University to win a South African Premier Soccer League match, 3-1.

The score probably best reflected Wits' flair for missing penalties — or for failing to beat William Okpara, Orlando's remarkable Nigerian international goalie — with either of them. But it isn't the nitty-gritty of how a match was won or lost that is important: It is the movement, the meaning, the momentous progress that has taken South Africa's most popular sport from the dark years of apartheid to a freedom which, symbolically, is celebrated on Wednesday with the Nelson Mandela Inauguration Challenge.

In the 80,000-seat, soon to be 120,000-seat FNB National Stadium in Johannesburg, South Africa begins a new era under a new coach, Trotti Moloto, against an old adversary, Egypt, the African champion. Mandela, of course will be there, not merely for the sport but to inaugurate officially South Africa's bid to host of the World Cup in 2006.

The aged leader is looking well. He knows the value of patience, the diplomacy of nudging progress along but not attempting to force the unenforceable.

Up and down the country, possibly presuming that votes will follow popular efforts to accelerate the pace of integration, leaders of South Africa's National Sports Council and the ruling

African National Congress committee on sport clamor for black and mixed-race representation on the "lily-white" rugby and cricket teams. Lulu Xingwana, chairman of the committee, has called the ANC to legislation next year to enforce black selection in national teams.

Cricketers, rugby players, athletes of every rank and color, oppose legislation. They oppose tokenism, oppose

VANTAGE POINT

idea of weakening a winning team by selection not strictly based on merit. They aspire to a place on the team, but as some of the most gifted young, black cricketers have been saying, they want recognition for their talent, not their color.

To soccer's credit, through the worst of the apartheid years and in the townships where repression was at its worst, the sport was not only organized, not only an outlet for identity and joy, but always something blacks would share with any whites who had the courage to join them.

The match on Saturday was a microcosm of what had gone before. Color was of no consequence. Perhaps few noticed that the five Wits University players who had pale skins all happened to be defenders. The engine room of the midfield, was powered by blacks, and the wings and scoring positions were filled by blacks.

For Orlando, on the right, Steve Lekoleka covered the turf like a gazelle. On the left, a winger sported the name B. Silent — Brendon Silent is his full name. In the midfield, John Moet, who will captain the national team on Wednesday, has a change of pace and direction that deceives opponents. At his side, sturdy and strong, Dauna Ngobe slipped defensive duties in one breathtaking, storming run.

Suddenly, he advanced, the strides gathering pace, the path a straight line for the Witwatersrand goal. Wits' de- fenders shied away from his route, static in their yellow jerseys as Ngobe was pulled toward glory.

It almost, but not quite, had the perfect ending. As Ngobe cocked his right leg to shoot, a defender's boot slid in. The shot flew off course, and the flight of fantasy was over.

Later, in the Witwatersrand clubhouse where players who earn \$1,000 a month mingled, the progress was pinned to the walls. A sequence of photographs of victorious Witwatersrand University teams revealed this pattern: the 1983 team that won the Pretoria Cup, no blacks; the 1987 squad, one black; the 1989 squad, fifty-five.

Today, the university that was a privileged seat of learning allows itself to import, from anywhere in South Africa, five players who did not come through its scholastic ranks.

Among its opponents Saturday was a likable, up-and-coming player who represents the changing times in South Africa and the progress that needs no legislation.

• Oupa (Papi) Khomane is 23 and a child of Soweto's struggle. His father was a professional soccer player and his five brothers and sisters played, as Papi did, on the grounds of apartheid. Papi Khomane is on standby to make his international debut in Nelson Mandela's Challenge.

He might have made it sooner had success been the priority in his life. Instead, Khomane committed himself to education and a week ago celebrated his diploma in sports management from Rand Afrikaans University with a pledge to go back for more letters to his name. Tall, lean and fit, he intends to approach the future in mind and body, a future that is South Africa's hope. With his ilk, rather than through enforced legal attempts, the future is finer than a soccer player striding forward, obeying nature.

• Rob Hughes is chief sports writer of *The Times of London*.



Yasunori Uchitomi of Japan winning the 3,000-meter steeplechase.

China Stays Dominant With 8 More Gold Medals

The Associated Press

BANGKOK — Li Melisi, a 39-year-old Chinese shot-putter, overcame creaky knees to win a gold medal at the Asian Games on Tuesday, but the country's fledgling baseball team was no match for a South Korean pitcher who struck out eight in a row.

"I feel that in some events athletes retire too early," said Li, who last won an Asian Games gold medal in 1982.

ASIAN GAMES

She won an Olympic bronze in 1988, but competes with a limp and against her doctors' advice.

Li claimed her latest gold a present for her son's sixth birthday. She won with a throw of 18.96 meters (62.5 feet), ahead of a compatriot, Cheng Xiaoyang, who took the silver with a toss of 18.55 meters.

It was one of eight golds China won Tuesday, boosting its total for the day to 92. Its victories included a sweep of both volleyball titles, with victories over South Korea in both the women's and men's finals.

South Korea was next with 47 golds, and was closing in on another in baseball, where the pitcher Kim Byung Hyun struck out 12 batters — including eight in a row — in six innings of relief as the Koreans beat China, 9-2.

That put South Korea in the gold-medal game against Japan, a 9-8 winner over Taiwan in the day's other semifinal. South Korea has Chan Ho Park, the Los Angeles Dodgers pitcher, rested and ready.

Japan has 41 golds after winning three in track and field, three in its native sport of karate, and one in synchronized swimming.

Yasunori Uchitomi, disappointed with bronze in his hometown of Hiroshima in the 1994 Asian Games, won the 3,000-meter steeplechase ahead of Hamid Sajjadi-Hazavei of Iran.

Koji Kuroi of Japan's 100-meter relay team, anchored Japan's 100-meter relay team to victory, and Masaki Morinaga

won the men's long jump.

Aside from the shot-put gold, China had a victory in the women's 100-meter relay, anchored by the event's individual champion, Li Xuemei.

South Korea gained golds Tuesday in archery, soft tennis and equestrian in individual dressage. The archer Kim Jo Sun finished first by defeating a teammate, Lee Eun Kyung, the 1992 Olympic champion, in a three-arrow shoot-out.

The Koreans gained their third soft-tennis gold with a victory over a Taiwan pair in women's doubles, but Taiwan broke the monopoly by winning the men's doubles.

The horse riders Sub Jung Kyun, Shin Chang Moo and Choi Myung Jin swept the top three positions in dressage, but Toshihiko Takechi of Japan took the bronze under games' rules limiting one nation to only two medals in any one event.

In the South Asian sport of kabaddi, India, the defending champion, clinched another gold medal. Going into the final day of the Games on Wednesday, the Indians had a perfect 6-0 record, out of reach of their closest competitors, Pakistan and Sri Lanka.

China and Kazakhstan each won individual pursuit races in cycling. Vadim Kravchenko of Kazakhstan beat Noriyuki Iijima of Japan in the men's four-kilometer race. The winning time was 4 minutes, 42.799 seconds. Wang Qingzhi of China defeated a teammate, Zhao Haijun, in the women's three-kilometer race.

Igor Potapovich of Kazakhstan, won gold in pole vault. Kazakhstan has 16 golds, just behind Taiwan, which has 17 including its victory in karate Tuesday.

Miya Tachibana of Japan won her second gold of the games when she teamed with Miki Takeda for the synchronized swimming duet title, ahead of Yoo Na Mi and Jang Yoon Kyeong of South Korea.

Atsuko Wakai of Japan took gold in the women's kata competition of karate, in which competitors are rated on style.

Despite Doping, Olympic Medals Stand

By Christopher Clarey
International Herald Tribune

LAUSANNE, Switzerland — There will be no belated gold medals for the American and British swimmers beaten by the East Germans at the 1976 and 1980 Summer Olympics. Nor will there be any official compensation or modified form of recognition from the International Olympic Committee.

Despite recent court rulings in Germany that substantiate claims of systematic doping by some East German swimmers, the IOC executive board announced over the weekend that it has no intention of revising the Olympic record books.

The executive board recommended that any athletes who used prohibited substances or methods and wished to demonstrate sportsmanship should donate their Olympic medals to the Olympic museum in Lausanne.

"To serve as a memento to this period in Olympic history," said Carrard, who

added that the IOC expresses its regret that Olympic athletes who followed the rules in good faith may have been victimized by those who did not."

But the IOC executive board concluded that setting the precedent of modifying results long after the event would open the way to myriad legal and logistical problems. "It would be a bottomless pit," said Kevan Gosper, an executive board member from Australia.

Bill Ryall, president of the United States Olympic Committee, which filed the petition on behalf of the 1976 relay team, expressed regret at the IOC's decision, but said the USOC did not intend to pursue the issue.

The American petition was based on a recent German court case in which former swimming coach Rolf Glaeßer, was convicted of giving steroids to minors and fined. One of the minors cited in the case was Andrea Pollack, a member of the East German relay team in 1976.

The case for Davies, a 1980 silver medalist in the 400-meter individual medley behind the East German Petra Schneider, was based on Schneider's admission of steroid use from an early age.

Neither the USOC nor the British association was asking for medals to be stripped. Instead, they wanted "appropriate medal recognition" for their athletes in the form of duplicate gold medals, certificates or an asterisk in the record book.

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Top 25 teams in AP women's college basketball poll, with first-place votes in parentheses, records through Dec. 13, total points and previous ranking:

1. Connecticut (20) 6-0 1002 1

2. Tennessee (2) 6-1 987 2

3. Purdue (14) 6-1 978 3

4. Stanford (16) 6-1 964 4

5. Georgia (8) 6-1 944 5

6. Notre Dame (7) 6-1 924 6

7. North Carolina (11) 6-1 914 7

8. Connecticut (1) 6-0 904 8

9. Florida (1) 6-0 895 9

10. Oregon (1) 6-0 885 10

11. Stanford (1) 6-0 875 11

12. Florida (1) 6-0 865 12

SPORTS

Avalanche And Blues Battle to a Scoreless Tie

The Associated Press

DENVER — Grant Fuhr is not the goalie he was in the 1980s when he helped the Edmonton Oilers win five Stanley Cups.

But Fuhr, 36, showed signs of his past brilliance Monday night when he and

NHL Roundup

Colorado's Patrick Roy both gave flawless performances as the St. Louis Blues and the Avalanche played to a 0-0 tie.

"I am tired after playing six straight periods, but am playing with a lot more consistency after missing some time with the injury," said Fuhr, who missed 11 games with a strained groin and returned Saturday in a 4-3 loss to Pittsburgh. "I had the chance to get more comfortable and had more of a feeling for the net."

Fuhr stopped 32 shots, while Fuhr blocked 22.

Roy, who was involved in a scoreless tie on Nov. 2, 1996, against Buffalo's Dominik Hasek, recorded his 43rd career shutout and his second of the season against St. Louis. Fuhr earned his 24th shutout.

Fuhr preserved his part of the blanking by stopping a screened shot by Aaron Miller three minutes into overtime. Seconds later, he blocked another blast by Miller and a rebound chance by Milan Hejduk.

Colorado killed a penalty in the final 42 seconds. St. Louis, winless in its last five games, never got a shot on goal in overtime. "Both teams played well defensively," said Bob Hartley, the Colorado coach. "There wasn't much room in front of either net."

Fuhr added: "This was one of those nights where the puck wasn't going to go in. We played hard to get a point and they played well, too."

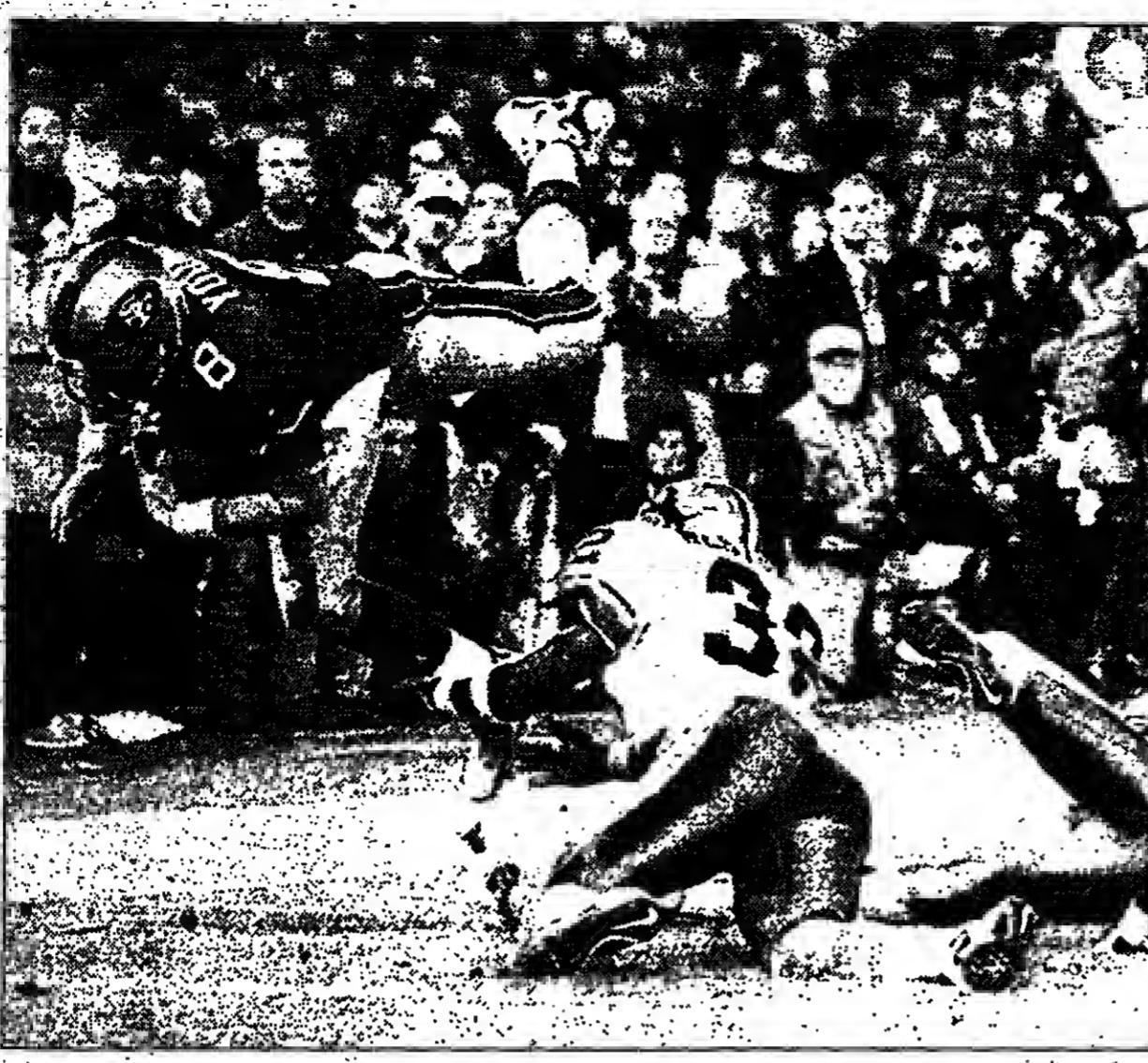
Rangers 5, Flames 2: Marc Savard and Adam Graves scored power-play goals in the first period to lift New York over visiting Calgary.

The Rangers got another power-play goal from Peter Nedved in the third period. They converted three of five chances with the man advantage to snap a two-game losing streak.

Canadiens 2, Coyotes 2: In Montreal, Teppo Numminen scored with 1:53 left in the third as Phoenix rallied twice in that period to tie Montreal.

The game was marred by Phoenix by an injury to its scoring leader, Keith Tkachuk, who did not play the third period after suffering a groin injury. The seriousness of the injury was not known.

DENNIS THE MENACE



The 49ers' Steve Young being tackled by the Lions' Bryant Westbrook after a 17-yard dash to the five-yard line.

Hearst Stars as Niners Run Over Lions

The Associated Press

SAN FRANCISCO — Garrison Hearst, the San Francisco running back, upstaged Barry Sanders of Detroit as the 49ers concentrated on their running to defeat the Lions 35-13.

Hearst ran for a team-record 198 yards and Steve Young threw for one score and ran for another in the game Monday night.

Sanders went nowhere against the San Francisco defense, which the previous week gave up 203 yards rushing in a 31-28 overtime victory at Carolina.

San Francisco hardly needed its league-leading passing attack, setting a team record with 328 rushing yards. Young was 12-of-18 for 82 yards.

Detroit (5-9) was eliminated from playoff contention with the loss, and the Lions also lost their quarterback, Charlie Batch, in the second quarter. He went out with a back injury after being sacked by Chris Doleman and Brenton Buckner and was replaced by Frank Reich.

Sanders, who rushed for 175 yards in

his last meeting against San Francisco two years ago, was held to 28 yards on 14 carries. He had averaged 102 yards per game this season.

Hearst had 127 yards by halftime and ripped off key gains in each of San Francisco's five scoring drives. Hearst had a five-yard scoring run in the first quarter.

Young ran for 66 yards, including a nine-yard touchdown run with 5:46 remaining in the third period. Kirby added a 31-yarder in the closing minutes.

In the second quarter, Terry Kirby had a one-yard touchdown run and Terrell Owens caught a one-yard touchdown pass. San Francisco was up, 21-0, at the half.

Young ran for 66 yards, including a nine-yard touchdown run with 5:46 remaining in the third period. Kirby added a 31-yarder in the closing minutes.

back for the Broncos, he didn't want him sharing any of his glory.

"I can't understand where he's coming from," Brian Griese said. "But I know how he is, and he doesn't want to share nothing with nobody."

Bill Romanowski, a Denver linebacker, said: "It's too bad. I would think a dad would want his son to go undefeated and do what he did. I would think a dad would want to share his record with his son."

As the Broncos were moving toward a 19-0 season, Bob Griese, a quarterback for the 1972 Dolphins, had told his boy, a backup quarter-

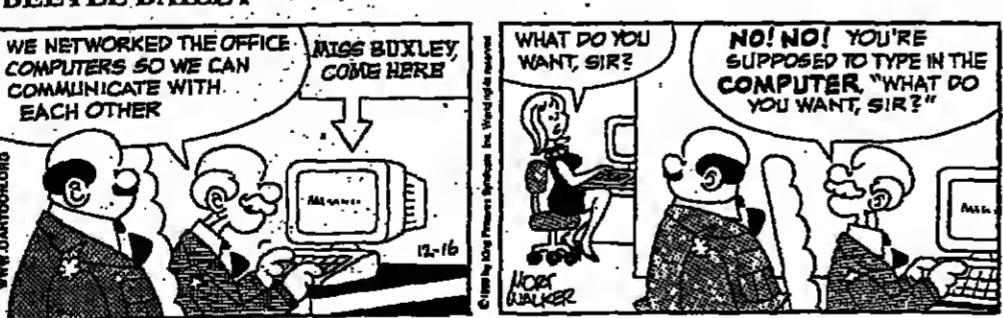
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| IRELAND | IEP 226 | 100 | 57% |
| ITALY | ITL 156,000 | 63,000 | 66% |
| JAPAN | JPY 20,000 | 12,150 | 50% |
| MALAYSIA | MYR 1,456 | 1,000 | 45% |
| NETHERLANDS | NLD 195 | 75 | 60% |
| NORWAY | NOK 936 | 450 | 52% |
| SINGAPORE | S\$ 161 | 100 | 41% |
| SPAIN | PE 13,000 | 5,580 | 59% |
| SWEDEN | SEK 936 | 450 | 52% |
| SWITZERLAND | CHF 76 | 45 | 45% |

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OBSERVER

F The Great Debate

By Russell Baker

"Hillary cunning, crafty."
"Henry Hyde crafty and cunning."

"America has no finer public servant."

"He's Henry the Sly, he is."

"He is Henry the trustworthy, loyal, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, brave, clean and reverent. As chairman of a committee with a majority of decent, clean-living Republicans he is struggling against vicious, unscrupulous Democratic apologists for an insufferable president to serve decency and the Founding Fathers."

"Unimpeachable."

"Impeachable."

"Unimpeachable."

"Peachy."

"Unpeach."

"Imp, imp, imp."

"Un, un, un, it's only about

"About lies under oath."

"Sex."

"Lies under oath."

"Sex, sex, sex, sex, sex."

"Oath, oath, oath, oathy-th."

"Sexady-sex, sexady-

"Oathady-oath."

"Exady-ex."

"Start got the goods."

"Got no Whitewater goods."

"Got the Monica goods."

"Got no Filegate goods."

"Got Monica, Monica, Monica goods."

"Got no Travelgate goods."

"Monica goods, Monica goods."

"Don't make him impeachable."

"Yes, they make him impeachable."

"No they don't."

"Yes they do."

"Yes they don't."

"Yes they do."

"Don't."

"Do."

"Impeachment is a plot of ght-wing conspiracy."

"No it's not."

"Yes it is."

"That's Hillary talk."

"Hillary good."

"Hillary not so good."

"Hillary tops."

New York Times Service

By Bernard Weinraub

New York Times Service

LOS ANGELES — Jeffrey Katzenberg was talking about the film that has consumed him for nearly five years. "You can't do in 'Prince of Egypt' what you did in 'Little Mermaid' and 'Beauty and the Beast,'" said Katzenberg, referring to two of the animated hits that stamped his career as president of Walt Disney Studios.

"There are no dancing teapots here, no cute little cuddly animals or outrageous sidekicks," he said. "There are no cheerful musical respite. This is not a cartoon. Nobody does those movies better than Disney. Had we tried, the best we could have done would have been *Avis in their Hertz*. So why try?"

Katzenberg, long departed from Disney in a hugely bitter divorce and now a co-owner of Dreamworks, was sitting in a coffee shop at a Pasadena hotel before talking up "Prince" with reporters for religious publications. Opening in the United States and 40 other countries on Friday, "The Prince of Egypt," a \$75 million (and that may be a low figure) animated version of the biblical saga of Moses, has been lavishly promoted and widely anticipated.

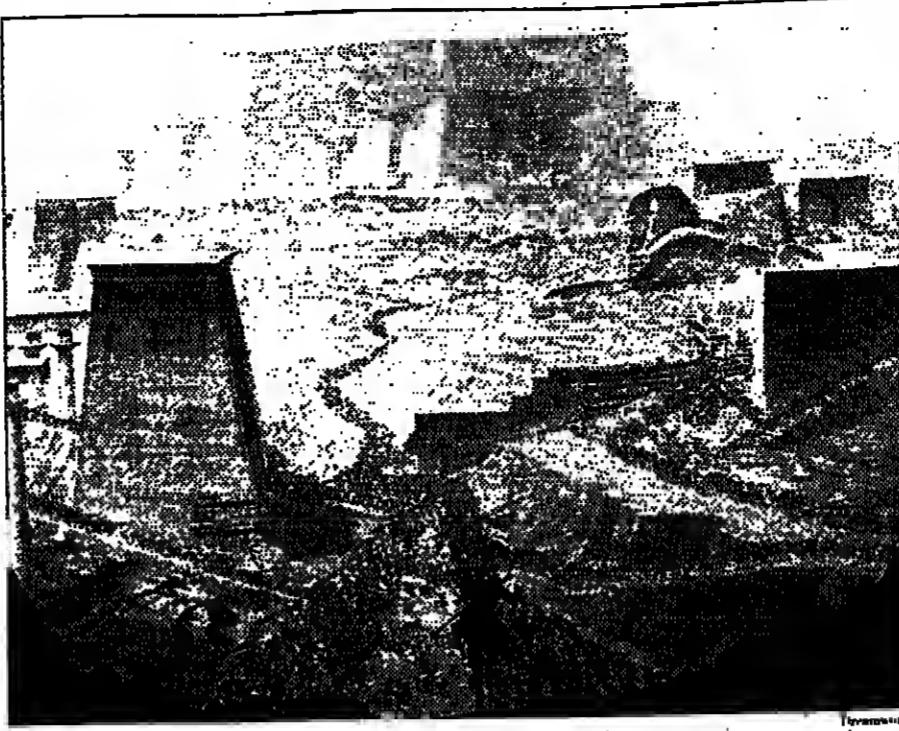
Not only is "The Prince of Egypt" a significant animated undertaking, but the film is viewed by agents, producers and studio executives as a test of how Katzenberg would pursue animation on his own after shepherding its revival at the traditional center of gravity, Disney.

What makes Dreamworks executives nervous — and what fascinates rivals at Disney and in the rest of Hollywood — is that Katzenberg has helped shape a somber musical saga designed for adults and children who are not toddlers.

Beyond this, Katzenberg said, perhaps grandiosely, that he had sought to put animation to different uses and make a film that borrows far less from Disney and its cartoon tradition and far more from David Lean's "Lawrence of Arabia," and even, in some ways, from the French impressionist Claude Monet and from the biblical etchings of 19th-century illustrator Gustave Doré.

"Maybe it's too extreme, maybe we've gone too far, maybe the big idea doesn't work," said a nervous Katzenberg, a founder of Dreamworks with Steven Spielberg and David Geffen, describing the film that is certainly the biggest risk of his career.

Preparing for the film, Katzenberg and his



A scene from the Dreamworks animated feature, "The Prince of Egypt".

team of artists and animators visited Egypt and the Sinai Peninsula and then sought to create an animated style that, they hoped, differed from Disney's. Faces were elongated, for instance, to make them more realistic and expressive.

As in any animated film, extraordinary attention was paid to the movie's palette. But the contrasts in "The Prince of Egypt" are striking. The pharaoh's palace is splendid and chilly, all white and light pastels, in contrast to the warm, humished colors of the modest dwellings of the Israelites in Goshen.

"The world of the Hebrews is more organic," Richie Chavez, the film's art director, says in the movie's production notes. "We gave Goshen more of a rounded, eroded look because the homes were made of mud brick, which is weathered by the rain, the wind and the sand. The homes are asymmetrical and out of kilter to give them a flow and ebb that the angular Egyptian side doesn't have." The faces of the Egyptian characters are more sculptured in appearance, with chiseled features; the Israelites are more curved and their shapes are looser.

Katzenberg said that animators and artists the film had seen "Lawrence of Arabia" (1962) numerous times, but that he had asked them not to see Cecil B. DeMille's "Ten Commandments" (1956). "I didn't want them intimidated, because the images in that film are so powerful and so strong," he said.

Katzenberg has already consulted about 700 Bible scholars, Egyptologists, divinity school teachers and religious leaders including the conservatives Jerry Falwell and Pat Robertson. They were consulted on everything from the costumes to the compression of the story into 90 minutes to making sure the Bible tale was being retold in a way that would not offend Christians, Muslims or Jews.

Although Wal-Mart is promoting the film in its stores, Dreamworks has decided against arranging fast-food tie-ins and toy spin-offs, in deference to the subject matter. So far, Wal-Mart has sold 600,000 advance tickets to the film.

"We tried to be uncompromising here — there's nothing cute and adorable in the film," Katzenberg said. "In other words, we didn't make the camel funny. You know how easy it

is to make a camel funny? Trust me, there's no animal on this planet that's funnier than a camel. We thought of it. We dropped it."

On a personal level, Katzenberg is plainly seeking to prove two things to his former boss, Michael Eisner, chairman of Walt Disney. One is that the company's huge success with such animated films as "The Little Mermaid," "Beauty and the Beast," "Aladdin" and "The Lion King" was largely due to him. The second is that he could take animation to a new level. (Disney remains the dominant studio for animation, and its most recent film, "A Bug's Life," made with Pixar, is one of the year's biggest successes.)

Eisner refused to promote Katzenberg from his studio chief's job to the president of the company in 1994, forcing him to leave. In a contentious legal battle, Katzenberg sued Disney and said he was owed 2 percent of the profit, or about \$250 million, from the projects he oversaw in his decade at the company. Both sides said the lawsuit had been settled, but the financial details are still unresolved.

Katzenberg said he had a "fantastic partnership for 19 years" with Eisner. He added, "He clearly brought out the best in me, and I like to think I was a pretty good partner to him." The departure, he insisted, was actually a blessing in disguise. "The great fortune for me is I moved on to something better," Katzenberg said.

Katzenberg said he had not read Eisner's recently published memoir, "Work in Progress," written with Tony Schwartz. In the book, Eisner said that Katzenberg was overly aggressive and not especially suitable to hold the No. 2 job at the corporation.

"The Prince of Egypt" has a top-tier cast of actors speaking the animated roles: Val Kilmer (Moses), Ralph Fiennes (Rameses), Michelle Pfeiffer (Tzipporah, who becomes the wife of Moses), Danny Glover (Jethro), Sandra Bullock (Miriam), Helen Mirren (the Queen) and Jeff Goldblum (Aaron).

Katzenberg and Dreamworks have an enormous stake in the film because of its risks and cost and also because its release is probably more anticipated than even that of the Dreamworks drama "Saving Private Ryan."

So far, early reviews of "The Prince of Egypt" in magazines and trade papers have been good. "Reviews are very important, and not necessarily for lavishing praise but also to inform an audience that, whatever the film's imperfections, hey, there's something new out there for you," Katzenberg said.

PEOPLE

THE marriage of Linda Hamilton and James Cameron has foundered. The actress cited irreconcilable differences in a divorce petition that she filed Monday, and is seeking custody of their 5-year-old daughter, Roseanne, although she is willing to follow visits with the Oscar-winning director of "Titanic." The Los Angeles County Superior Court filing also seeks spouse and child support, and requests their assets be divided. The couple married June 24, 1997.

At a trial in which he is accused of stealing another songwriter's tune, the composer Andrew Lloyd Webber testified that he doesn't like to listen to music in cars or restaurants and scoffed at the suggestion that he could remember every song he had ever heard. "That's a silly question. Of course I don't," he said. "I hate it when it's in a restaurant or in a car or a taxi. My driver has instructions never to have the radio on." Lloyd Webber testified in a civil trial in U.S. District Court in Manhattan

to determine whether he had based a melody from "The Phantom of the Opera" on one written by Ray Repp, a composer of religious songs and a Baltimore clothing salesman.

The Grammy-winning singer Billy Preston has pleaded guilty to insurance fraud and agreed to testify against other defendants in an alleged scam that net-

ted about \$1 million. Preston was

already in prison for violating probation on a cocaine possession conviction. Six other people are charged in the case, which alleges they set fires, staged thefts and rigged auto crashes in 18 bogus insurance claims.

Doggie-gate" is over. A jury ordered

President Bill Clinton's half-brother,

Roger, to pay \$1,285.10 to a man who was bitten by a dogfight between their poodles. Jeff Klempner, a Los Angeles tree-trimmer, said the fight was the fault of Clinton's dog because it ran out of its master's house and attacked his dog while it was leashed. Klempner, nipped trying to break up the fight, sought compensation for medical bills, lost wages, pain and suffering. The jury threw out a \$300,000 countersuit by Clinton, who claimed he had suffered mental anguish from watching the two dogs fighting.

Senator Bob Kerrey, the Nebraska Democrat who years ago had a high-profile romance with the actress Debra Winger, has a new love interest: Sarah Paley, a New York screenwriter who once wrote for "Saturday Night Live." The Omaha World-Herald reported. She was in Nebraska last weekend when Kerrey, who is divorced, announced that he would not run for president in 2000. The couple met in 1995 through a Kerrey friend who works for Senator Daniel Patrick Moynihan of New York.



UP AND AWAY — Helena Bonham Carter and Kenneth Branagh arrive at the Los Angeles premiere of their new movie, "The Theory of Flight."

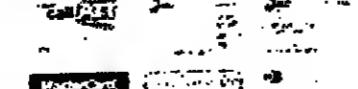
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